United States Court of Appeals

for the Second Circuit

JOINT APPENDIX

ORIGINAL

76-7581

IN THE

United States Court of Appeals

FOR THE SECOND CIRCUIT

INEZ H. LENFEST and MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK, as Executors of the Estate of Harold C. Lenfest, and KENNETH F. YARRINGTON,

Plaintiffs-Appellees,

against

HAROLD W. COLDWELL,

Defendant-Appellant.

FERRO-BET CORPORATION OF AMERICA,

Plaintiff-Appellee,

against

HAROLD W. COLDWELL,

Defendant-Appellant.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

UNITED STATES COURT OF APPEALS
FILED
JAN 13 197
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

JOINT APPENDIX

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RELEVANT DOCKET ENTRIES

65 Ad. 1008

12-12-75	Fld True Copy of Order from USCA.....Ordered that the orders of SD of [illegible] be and they are vacated and that the action is remanded to D.C. for further proceedings in accordance with the opinion of this Court with costs to be taxed against the appellee.....Fusaro, Clerk USCA---Judgment Enter 12-12-75 Clerk----Docketed as Judgment #75,977 on 12-12-75. (also docketed in 66 Ad 277) mn
4-6-76	Non-Jury Trial Begun and Cont'd.
4-6-76	Non-Jury Trial Cont'd. & Concluded 1 Day Trial Dec. Reserved Post Trial Briefs and Findings and Conclusions of Law are To Be Fld on 4-23-76 Any Reply Briefs Are To Be Fld on 4-27-76.
4-26-76	Fld Pltffs' proposed Findings of Fact and Conc of Law.
5-3-76	Fld Pltffs' Response to deft's proposed Findings of Facts..etc.
5-3-76	Fld Deft's Reply Memo
5-3-76	Fld Deft's Proposed Findings of fact etc.
6-1-76	Fld Opinion #14505...Accordingly, pltffs are entitled to recover $150,000 provided for in the insurance policy, with interest at 6% from the date of the institution of this litigation...Settle Order... Carter, J. mn
5-27-76	Fld Pltffs' memo of facts and law.
6-3-76	Filed transcript of record of proceedings dated 4-6-76
7-28-76	Filed deft (Coldwell) affdvt and notice of motion to set aside the Findings of fact and conclusions of law and judgment ent. 7-23-76, and to grant deft a new trial. Time and date to be set by Court.
7-28-76	Filed defts memo in support of motion pursuant to Rules 52 and 59.
7-16-76	Filed Order and Satisfaction of Judgment #75,977. Carter, J.
7-26-76	Filed Order and Judgment #76,709 that Pltffs. in Action (65 Ad. 1008) recover of the deft. the sum of $75,338.85 with interest at the rate of six percent per annum to run from Oct. 8, 1965 and their costs of the action; and the Pltff in the Action (66 Ad. 277) recover of the deft. $74,661.15 with interest thereon at the rate of six percent per annum to run from March 18, 1966, and its costs of the action Carter, J. JUDGMENT ENTERED 7-26-76 Clerk

RELEVANT DOCKET ENTRIES

8-6-76 Filed pltffs memorandum of facts and law opposing defts. motion pursuant to Rules 52 and 59.

8-6-76 Filed affdvt opposing defts motion pursuant to Rules 52 and 59.

8-24-76 Fld Deft's reply memo to plaffs' memo opposing deft's motion pur Rule 52 and 59.

10-27-76 Fld Memo End. on motion Fld 7-28-76 - Motion denied. So ordered Carter, J.

11-19-76 Fld Deft H. W. Coldwell Notice of Appeal to USCA from order denying motion to grant a new trial..etc....Copies of Notice Mailed on 11-24-76 to: W. E. Dow, Jr...and W. Shelby Coates, Jr...and...J.D. Tarlowe.

11-19-76 Fl Undertaking on Appeal in the total sum of $275,000 by Ins. Co. of N. A. Bond #28-89-92.

12-16-76 Filed designation of Exhibits pursuant to 11(b) of the Rules of the USCA

12-17-76 Filed stipulation regarding missing filed papers substituting copies of the documents for originals as part of the record on appeal.

66 Ad. 277

12-12-75 Fld True Copy of Order from USCA..Ordered that the orders of SD of NY be and are vacated and that the action is remanded to D.C. for further proceedings in accordance with the opinion of this Court with costs to be taxed against the appellee..J.Fusaro, J. ...Judgment Entered 12-12-75---Docketed as Judgment #75,977 on 12-12-75..... Clerk. mn (fld in 65 Ad. 1008).

4-6-76 Non-Jury Trial Begun and Con'd.

4-6-76 Non-Jury Trial Con'd and Concl. 1 Day Trial..Dec. Res. Post Trial Briefs and Findings and Concl. of Law are to be Fld on 4-23-76 - Any Reply Briefs are to be fld 4-27-76.

6-1-76 Fld Opinion #14505...Accordingly, pltffs are entitled to recover $150,000 provided for in the insurance policy, with interest at 6% from the date of the institution of this litigation..Settle Order...Carter, J. mn (fld in 65 Ad. 1008)

7-16-76 Fld Copy of Order and Satisfaction of Judgment #75,977--So Ordered-Carter, J.

RELEVANT DOCKET ENTRIES

7-26-76	Fld Copy of Order and Judgement #76,709 that pltffs in Action 65 Ad. 1008 recover of the deft. the sum of $75, 338.85 with interest at the rate of 6% per annum to run from 10-8-65 and their costs of the action; and the pltff in 66 Ad. 277 recover of the deft $74,661.15 with interest thereon at the rate of 6% per annum to run from 3-18-66, and its costs of the action. (Carter J.) Judgment Entered 7-26-76 Clerk mn
8-24-76	Fld Deft's reply memo to pltff memo opposing deft motion pur to Rule 52 and 59. (fld 65-1008)
7-23-76	Fld Deft's motion to set aside judg. etc. ret. dtd not supplied.
10-27-76	Fld Memo End on bk of motion fld 7-23-76Motion denied..So Ordered.. Carter, J. (fld in 65 Ad. 1008) mn
11-19-76	Fl Deft. H. W. Coldwell's Notice of Appeal to USCA from order denying motion to grant a new trial...etc...Copies of Notice mailed on 11-24-76 to: W. E. Dow, Jr...and W. Shelby Coates, Jr...and J. D. Tarlowe (Fld in 65 Ad. 1008)
11-19-76	Fl Undertaking on Appeal in the total sum of $275,000---Ins. Co. of N.A. (fld in 65 Ad. 1008) Bond #28-89-92.
12-16-76	Filed designation of Exhibits pursuant to 11(b) of the rules of the USCA
12-17-76	Filed stipulation regarding missing filed papers substituting copies of the documents for originals as part of the record on appeal.

Order From the United States Court of Appeals,
Vacating and Remanding, Docketed as Judgment #75977.

UNITED STATES COURT OF APPEALS

for the

SECOND CIRCUIT

At a stated Term of the United States Court of Appeals for the Second Circuit, held at the United States Courthouse on the City of New York, on the Sixth day of November One Thousand Nine Hundred and Seventy Five.

Present: Hon. Henry J. Friendly

Hon. William H. Timbers

Hon. Murray I. Gurfein

Circuit Judges,

Inez H. Lenfest and Marine Midland Grace Trust Company of New York, as Executors of the Estate of Harold C. Lenfest, and Kenneth F. Yarrington,
Plaintiff-Appellants
-vs-
Harold W. Coldwell,
Defendant Appellee.

Ferro-Bet Corporation of America,
Plaintiff-Appellant
-vs-
Harold W. Coldwell,
Defendant-Appellee.

DOCKETED AS A JUDGMENT # 75,977
ON 12/12/75

Appeal from the United States District Court for the Southern District of New York.

This cause came on to be heard on the transcript of record from the United States District Court for the Southern District of New York, and was argued by counsel.

Order.

On Consideration whereof, it is now hereby ordered, adjudged, and decreed that the orders of said District Court be and they hereby are vacated and the action be and it hereby is remanded to said District Court for futher proceedings in accordance with the opinion of this court with costs to be taxed against the appellee.

JUDGMENT ENTERED 12/12/75

A. Daniel Fusaro
Clerk
by Vincent A. Carlin
Chief Deputy Clerk

Raymond F. Burghardt
Clerk

A true copy,

A. Daniel Fusaro
Clerk
by Vincent A. Carlin
Chief of Depity Clerk

Transcript of Record of Proceedings of April 6, 1976.

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

----------X

INEZ H. BENEST and MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK, as Executors of the Estate of HAROLD C. BENEST, deceased, KENNETH F. YARRINGTON,

Plaintiffs,

- against - 65 Adm 1008

HAROLD W. COLDWELL,

Defendant.

----------X

FERRO-BET CORPORATION OF AMERICA,

Plaintiff,

- against - 66 Adm 277

HAROLD W. COLDWELL,

Defendant.

----------X

New York, N. Y.
April 6, 1976

B e f o r e:

HON. ROBERT L. CARTER,

District Judge

BEST COPY AVAILABLE

wc

Appearances:

HYDE, DICKERSON & REILLY, Esqs.
Attorneys for Plaintiff Lenfest etc.
BY: W. SHELBY COATES, JR., Esq.

JOSEPH D. TARLOWE, Esq.
Attorney for Plaintiff Ferro-Bet Corp.

SYMMERS, FISH & WARNER, Esqs.
Attorneys for Defendant Coldwell
BY: WILLIAM WARNER, Esq.

MR. COATES: Your Honor, you don't want any opening statements, do you?

THE COURT: I am not here to hear opening statements, Mr. Coates. The issue, as I understand what the Court of Appeals indicated, is that there was a gap in the findings of the Court and that I should make some further findings, particularly directed to the time when the repairs were made in Baltimore. As to some of the things I did not credit, they want to know why, and so forth.

Therefore, I asked you here not for argument but for evidence. If you are prepared to present some further evidence, please do so.

MR. COATES: Fine, your Honor. I would like to call Mr. Wood to the stand, John Wood.

J O H N H. W O O D, called as a witness by the plaintiffs, being first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. COATES:

Q Mr. Wood, you were a witness, were you not, at the trial two years ago?

A Yes.

Q For whom were you working then?

A I believe for the other side.

Q No. By whom were you employed?

A Oh. Great Eastern Associates.

Q In what capacity?

A As the manager of their adjusting department.

Q Are you still in that same employ?

A Yes.

Q And in the same capacity?

A Yes.

Q Would you just refresh the Court's recollection as to the role of Great Eastern Associates in generalterms in this litigation?

A We were the insurance brokers for the owners of the Panocean and also their average adjusters.

Q Did you receive a subpoena for this hearing today?

A I did.

Q Pursuant to that subpoena did you bring documentary items to the Court today?

A I brought what I had available.

Q Do you have the subpoena with you?

A Yes. It's a photostat of it (producing).

Q Did you bring Item No. 2, which is allowances to vessel, Azores, handwritten note?

A Yes. Photostatic copies. I don't know where the originals are.

Q What is your last recollection as to where the

originals were and as to where they might have gone?

A I thought they were at the last trial.

Q You think they might have been marked as exhibits?

A I am not sure.

MR. COATES: Your Honor, parenthetically I would like to mention that the exhibits, as I believe you do know, are missing. We have searched both in the Court of Appeals and in the District Court files, and we have been told there is a chance that they were miswarehoused over in Bayonne, and they are still looking for them. So today we are going forward with what we do have. We think we can go along adequately without having the original exhibits here.

THE COURT: All right.

Q May I have item 2.

THE COURT: I don't see that there is any need for original exhibits, as long as we are certain that they in fact represent what they are supposed to. If Mr. Wood, for example, has no problem with the copy, I don't see why we have got to have the original.

Q Mr. Wood, you don't have any problem with the photocopies because they are in your handwriting, is that correct?

A Yes.

MR. COATES: I would like to have No. 2 marked

for identification.

(Plaintiff's Exhibit 31 marked for identificatio

THE COURT: Why are they marked 31?

MR. COATES: Your Honor, we left off with 30A, I believe, and this keeps it from getting cluttered and confusing, I think.

THE COURT: All right.

MR. WARNER: Excuse me, I don't know what you are looking at, but was this document received in evidence at the first trial?

MR. COATES: No, this was not. This is something new.

MR. WARNER: May I see it, then? I have never seen it before.

THE COURT: I thought that Mr. Wood testified it was received at the first trial. That is what he testified to.

MR. COATES: I don't think that was, actually.

THE COURT: Anyway --

MR. COATES: Some of what was subpoenaed was received. I don't think this was.

THE COURT: He testified that he did not know where the original was. He thought it was submitted as an exhibit in the first trial.

Q But you are not certain of that, are you, Mr. Wood?

A No, sir.

Q Mr. Wood, I show you Plaintiff's Exhibit 31 for identification and ask you to tell the Court what it is.

A Well, these are handwritten calculations of certain expenses that I made relating to the vessel's call at The Azores, and also attached to it are some expenses, port expenses, relating at that port, in Portuguese currency.

Q Did they have anything to do with a general average?

A They would be classified as general average expenses.

MR. COATES: I offer them into evidence.

MR. WARNER: Will you agree it consists of five pages?

MR. COATES: Five pages, right.

MR. WARNER: No objection.

xxx (Plaintiff's Exhibit 31 received in evidence.)

MR. COATES: Would you like to see it at this time, your Honor (handing to the Court).

Q Mr. Wood, did you bring with you Item No. 3 under subpoena?

A Yes. Photostats again.

Q And what is that?

A It's my handwritten notes relating to allowances to the vessel at Bermuda and certain port charges in that port.

MR. COATES: I ask that these be marked as Plaintiff's Exhibit No. 32 for identification.

(Plaintiff's Exhibit 32 marked for identification.)

MR. WARNER: Four pages.

MR. COATES: Yes.

Q And, Mr. Wood, this Exhibit 32 for identification is in your handwriting or a photostat thereof, is that correct?

A Yes.

MR. COATES: I offer it into evidence.

MR. WARNER: No objection.

(Plaintiff's Exhibit 32 received in evidence.)

Q Mr. Wood, did you bring Item No. 4 in the subpoena?

A Yes. The photostats again.

MR. COATES: I ask that they be marked as Plaintiff's Exhibit 33 for identification.

(Plaintiff's Exhibit 33 marked for identification.)

Q Mr. Wood, I ask you if you would tell the Court what Plaintiff's Exhibit 33 for identification is.

wc Wood - direct 9

A Again, these are my calculations of the detention expenses at Baltimore relating to allowances for wages and provisions of the crew and also some survey fees of Bureau Veritas.

Q Did these also pertain to a general average?

A Well, the allowances to vessel would, but the surveyor's charges would not be general average.

Q Was there a general average declared at Baltimore?

A There was one declared, right.

Q Was there a general average statement issued?

A Not formally, no.

Q Why was that?

A Because it was never pursued further by the vessel owners and a settlement, an overall settlement was reached between the ship owner and the hull underwriters.

MR. WARNER: I did not hear the last three words.

A An overall settlement was reached between the ship owner and his hull underwriters.

Q Can you tell us approximately at what time the preparation of a general average statement was called off or decided not to go forward with it?

A I would imagine about the time that they reached a compromise settlement in March of '64, if I recall.

MR. COATES: I offer Plaintiff's Exhibit 33 for

identification into evidence.

MR. WARNER: Five pages. No objection.

(Plaintiff's Exhibit 33 received in evidence.)

Q Mr. Wood, what is a general average bond?

A It's usually something provided by the cargo interest to -- a quick way of insuring release of his cargo at destination. The ship owner has a lien on the cargo for general average contributions due from it. So he has to get some sort of security, so that normally he will take a general average bond or a general average guarantee or a cash deposit.

Q Do you know whether or not a general average bond was called for at Baltimore?

A Yes.

Q Yes, it was, or --

A Yes, it was.

Q Do you have any records with you that pertain to that?

A I believe I do.

It was in respect of the ore cargo. We got some sort of security from the cargo underwriter concerned, but I believe when they subsequently paid the general average associated with the stranding, the guarantee or bond was returned. I think I may have a photo of it, I am not sure.

Q That is all I would want, if you have that.

A I have this. It looks like the original. I guess it wasn't returned.

MR. COATES: May I have this general average underwriting marked for identification as Plaintiff's Exhibit 34.

(Plaintiff's Exhibit 34 marked for identification.)

MR. COATES: I offer it in evidence.

MR. WARNER: Consisting of two pages. No objection.

(Plaintiff's Exhibit 34 received in evidence.)

Q Mr. Wood, did you bring with you Item No. 1 on the subpoena?

A The photostatic copy again.

MR. COATES: May I have that marked for identification as Plaintiff's Exhibit No. 35.

(Plaintiff's Exhibit 35 marked for identification.)

MR. COATES: Excuse me, this one was actually marked as No. 28 at the last trial but was not introduced into evidence. So maybe I will use that one, if it is the same.

THE COURT: I have not reexamined my opinion and computations, but I have the impression rather vaguely -- I read the Court of Appeals opinion in order to get some idea

of what was supposed to happen today -- but am I correct, my impression is that, as I computed the repairs at Baltimore, they were just shy, not far from being within the amount of, of a constructive total loss? Is that right?

MR. COATES: I believe so, your Honor.

MR. WARNER: A $30,000 difference, your Honor.

THE COURT: $30,000 was --

MR. WARNER: The gap.

THE COURT: -- if I found for $30,000, it would have been within that area, is that correct?

MR. WARNER: As I read the Court of Appeals opinion this afternoon, they said that 210,000 was what you were at. 240,000 would have made it.

THE COURT: All right.

Q Mr. Wood, I show you Plaintiff's Exhibit No. 28 that was marked for identification at the last trial and ask you if that is a photocopy of the same item which you brought with you today.

A Yes, it is.

Q Could you identify for the Court what Exhibit No. 28 is?

A It's a draft adjustment that I prepared in my handwriting dealing with the various expenses that I had received in connection with this Panocean claim.

MR. COATES: I offer it into evidence.

MR. WARNER: No objection. Two pages.

(Plaintiff's Exhibit 28 received in evidence.)

THE COURT: What does this purport to be?

Q Mr. Wood, would you tell the Court what it is.

A Your Honor, it is a draft adjustment that I prepared in my handwriting dealing with the various expenses of the Panocean relating to these casualties that she suffered from February through September.

THE COURT: In other words, does this sheet take in all of Exhibits 31, 32, 33, and 34?

MR. WARNER: Yes.

A No, there is much more. There is more; 32, 33, and 34 are only part of it.

THE COURT: In other words, this sheet does include 31, 32 and 33?

THE WITNESS: Yes, your Honor.

THE COURT: I mean, there are no items that you have on 31, 32 and 33 that are left off of this sheet?

THE WITNESS: No, your Honor.

THE COURT: That simplifies things, because I was about to ask you some questions about 32, 33, 34. Now all I need to do is to look here and see the items. All right.

Q Mr. Wood, what items underlay the preparation of

the draft adjustment? What type of things came to your hands which you used to work that up?

A Reports of the casualty, and the exper associated with repairing, or putting into the ports of Azores and Bermuda and Baltimore.

Q Had the repair accounts been approved as to amount by the London Salvage Association as representative of the insurance --

A As far as --

MR. WARNER: Objection as leading.

Q What is the London Salvage Association?

A The London Salvage Association is an organization of surveyors who represent the underwriters, the vessel underwriters, that surveys. Their technical men who know repairs, engines, they usually agree to the extent of damage with an owner's representative.

Q Had the repair accounts which you used as an underlay for that draft adjustment passed through London Salvage for evaluation as to reasonableness?

A Most of them as far as I recall. I don't know if all of them were. I just can't recall that.

Q Did you bring with you item No. 5 that is on the subpoena?

A I can't find the -- the only one I could find is

a war risk, which is different. So I don't know where that cover note could be. It might have been in the last proceedings.

MR. COATES: Your Honor, I believe that is correct. I believe that the cover notes were marked as an exhibit, so we don't have those with us today, although I do have photocopies. Maybe I will have those marked.

Q Would you look through these items and pick out any that are identified in the subpoena as part of item 5.

A These look like item 5.

Q Let us take them one at a time. Would you identify that one that I am handing to you now?

A This consists of four pages and is an insurance effected for increased value on the hull of the ship, in the total amount of $60,000.

MR. COATES: I would like to have that marked for identification.

xxx (Plaintiff's Exhibit 35 marked for identification.)

MR. COATES: I offer it into evidence.

MR. WARNER: No objection.

xx (Plaintiff's Exhibit 35 received in evidence.)

Q How would you identify the other cover note?

A The next one is a photostat of a cover note consisting of six pages and relating to the hull and

machinery insurance on the vessel.

MR. COATES: I ask that that be marked for identification as Plaintiff's numbered 36.

xxx (Plaintiff's Exhibit 36 marked for identification.)

MR. COATES: I offer it into evidence.

MR. WARNER: No objection.

(Plaintiff's Exhibit 36 received in evidence.)

Q Mr. Wood, the last item on the subpoena, Item No. 6, were you able to put your hands on that?

A No, again I can't find those.

Q Tell the Court what item 6 is.

A It says the marine insurance policies issued pursuant to the aforesaid cover notes. I do not have those.

Q How do you account for that?

A In marine insurance written in London, the usual practice is to retain the actual policies there so that they can be -- if there are losses or return premiums, the underwriter can physically write on the policy that he has paid a loss in respect to a certain casualty. That is the purpose of keeping them over there: for convenience.

Q What is the relationship between the cover note which was just marked for identification pertaining to hull insurance and the marine policy which we don't have here today?

A Well, the cover note would be an indication of the terms and conditions that were effected and to which the policy would subsequently be issued.

Q Would it be expected that the policy would deviate in any way from the cover note?

A No.

MR. COATES: May I have this marked for identification, please.

xxx (Plaintiff's Exhibit 37 marked for identification.)

MR. COATES: Your Honor, because we are missing certain exhibits today, I believe this is a copy of what was admitted in evidence at the last trial as Exhibit 27.

In any event, I will ask Mr. Wood to identify it (handing to the witness).

THE WITNESS: This is a photostatic copy, consisting of five pages in my handwriting, of various expenses relating to numerous casualties suffered by the Pan-ocean.

Q What was the occasion for preparation of this?

A I believe in conjunction with making up the claim that was eventually settled.

MR. COATES: I offer it into evidence.

MR. WARNER: It is identical with Plaintiff's Exhibit 27, which was received in evidence during the trial.

MR. COATES: That is right. Since we don't have that with us today, I thought I would mark a clear copy of it.

MR. WARNER: Then there is no objection, but I just want the record to show it has been received once.

(Plaintiff's Exhibit 37 received in evidence.)

THE COURT: Mr. Wood, is this Exhibit 37 with reference to what? What does this refer to? I see Azores. What relationship does this exhibit, which is 37, have to 28?

THE WITNESS: Well, 28, your Honor, would put the charges in the various columns or relate to the --

THE COURT: So this is included in 28 too?

THE WITNESS: They are slightly different. There is some slight difference.

THE COURT: Then maybe --

THE WITNESS: But on 28 we put it into each accident. We divided it.

THE COURT: And on 37 it is what?

THE WITNESS: It is more like an overall compilation, but there are certain things in there, like Item III, which is not in 28. I believe it is on the next to last page. As far as I can recall, anyway, your Honor.

I am sorry, maybe it is II on the page before, your Honor, III. There is a figure of 4,000.

THE COURT: Yes.

THE WITNESS: I am sorry. They are not in that, but they have taken into consideration the overall calculation, though.

THE COURT: All right.

MR. COATES: Your Honor, I have no further questions of Mr. Wood at this time. But since we are hoping to finish this within two hours today, I would ask that he remain here in case we need him to clarify any of these documents that have come into evidence in any further way, if he would.

THE COURT: All right. Do you have any questions, Mr. Warner?

MR. WARNER: Yes, I will have a few.

THE COURT: I have some myself.

CROSS-EXAMINATION

BY MR. WARNER:

Q Mr. Wood, do you have Trial Exhibit 27 and at this hearing 37?

THE COURT: No, I have them all.

Q I show you Plaintiff's Exhibit 37. Mr. Wood, I think you testified on your direct examination that the call of the vessel at the Azores -- that is I on Exhibit 37 -- was a general average expense?

A Yes.

Q And, roughly, general average means that cargo will pay part of the expense and the hull interest will pay the remainder; is that correct?

A Yes.

Q There is no freight involved in this?

A As far as I remember, there was none.

Q Do you have any recollection as to the amount of the cargo at risk on this call at The Azores?

A On the call at The Azores there was the ore, which is about $34,000, and the steel coils, which were destined for Baltimore, and I believe they were about $235,000.

Q What was the ratio between the hull and the cargo interest?

A Well, the value of the hull for general average purposes you would use at Baltimore. And because of the great extent of damages that the vessel had sustained, I think that she was only worth probably a scrap value on her arrival at Baltimore, or about $28,000, I think, is what the experts indicated was the scrap value of the vessel.

Q So that what percentage of the expenses incurred in The Azores would have been payable by cargo?

A By cargo?

Q Yes.

A Approximately 90 percent.

Q Do you recall the reason why the vessel called at The Azores? Why did she go in there?

A Because, if I remember, it was fuel and water. She had to replenish her fuel and water.

Q She did not go in for repairs.

A As far as I can recall, no.

THE COURT: Didn't I find that at Azores and in Bermuda they were ports of refuge?

MR. COATES: It was stipulated to.

MR. WARNER: That was stipulated, your Honor. Since we use words of art, port of refuge, I wanted this witness to explain what port of refuge meant.

THE COURT: You did not ask him that question. You were about to get me confused. All right.

Q What does port of refuge mean in the context of the call of this vessel at the Azores?

MR. TARLOWE: If I may object, I think the phrase is understandable, and if the Court understands what port of refuge means -- and this explanation does not solve the problem at all, what this gentleman's idea of what port of refuge is.

THE COURT: I am inclined to agree to that, Mr. Warner. Because, as I understand it -- and at least to that

extent the Court of Appeals agrees with me -- I was taking the repairs -- not repairs -- the charges and whatever, or some of them, at both Bermuda and Azores as being ports of refuge, adding them to the cost of the repairs at Baltimore, in an attempt to arrive at whether you had that figure. The Court of Appeals, as I read the opinion, seems to agree that that was correct, but that I did not make some allowances which I should have.

It appears to me that Exhibit 28 has a list of all the costs of the vessel being at those two ports.

MR. WARNER: Your Honor, it was I who proposed the stipulation, to save everyone's time at the last trial. I was the architect of the words "port of refuge," which my learned opponent agreed to. It had a connotation, as construed by you and by the Court of Appeals, which I don't think it has in the practice, and I want this gentleman, if I may, to explain what port of refuge means, in the context of the call of this vessel at the Azores, which is before you now.

MR. COATES: I object to the question, your Honor, unless he is provided with the deck logs which show all of the reasons why the vessel went in.

THE COURT: You cannot do that, Mr. Warner. I don't think that is appropriate. I have made a finding, and

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I am not prepared now to retract it. It was something that you used, and I applied it. It was understood. I think that is it, and that that ends that.

MR. WARNER: Since you cut off that line, I will proceed, your Honor.

Q The vessel called at Bermuda, is that correct?

A Yes.

Q And that is included in your B under 37. What was her purpose in going into Bermuda?

A Again, because of a loss of water and fuel oil she had to call there to get some fuel and water to make the trip to Baltimore.

Q Again, I think you responded on direct examination in respect to Mr. Coates' question that the call at Bermuda was a general average situation?

A Yes.

Q Again I ask you, would this same ratio, namely 90 percent of the expenses of the call at Bermuda being borne by cargo, would that apply?

A Approximately. There is a small mathematical thing that you have to do when there are two ports of refuge, two calls at two ports of refuge. But I would say it is still the 90-10.

Q Now I ask you to turn to page 2 of Exhibit 37,

and about half-way down is a line that says "Owners of SS Panocean," and underneath that a "(1) Crew repairs to tank top ceiling No. 2 hold."

A It is No. 1 hold, actually. That is my printing.

Q All right. That item was approved by the Salvage Association, was it not?

A I am not sure, Mr. Warner; I don't recall; I think it was.

Q Let us go down to under Neptune Machine Works, Inc., which is the next paragraph. Replacement, main engine parts due, $1,043. Was that item approved by the Salvage Association?

A I believe it was, but I do not have the actual invoices that were approved.

Q I show you Plaintiff's Exhibit 11 from the first trial. It appears to be a letter written by you on the 5th of January, 1965. See if that refreshes your recollection.

A Yes. What do you want from me?

Q I asked you if that particular item that is referred to -- Replacement of main engine parts -- had been approved by the Salvage Association. Can you answer now?

A I really can't, Mr. Warner, because I don't have the actual invoice approved. This is a letter that I wrote to the ship owner asking for an explanation of this

particular repair.

Q I ask you to turn to page 271, which appears to be the response of the ship owner.

A "In answer to your inquiry, we attach the owners' surveyor's report."

Q Do you have a copy of the owners' surveyor's report?

A I don't recall if I do. I could check if you wish.

THE COURT: That was introduced at the first trial, wasn't it?

MR. COATES: It was marked for identification, and I believe I have it here. I don't think it --

THE COURT: The surveyor's report, the surveyor's at Baltimore?

MR. WARNER: The owners' surveyor's report, not the Salvage Association's.

THE COURT: I see. I am sorry. I think what I saw was the report of the Salvage Association.

Q Which one of these is the Baltimore?

A These are all after Baltimore. There should have been a report similar to the Salvage Association's report in content.

Q Does that invoice help you refresh your

recollection?

A That appears to be the invoice -- photostat of it.

Q My question to you --

A Replacement of the main engine parts.

Q My question to you is, did the Salvage Association approve that?

A I believe they did, Mr. Warner. But normally on the original or the copy that I would submit, they would actually put a stamp on it and say "Refer to a report such-and-such," whatever the applicable report was.

Normally, I would write them and ask them for approval of these.

Q Did you in this instance?

A I don't recall. Most likely I did, but I don't have anything -- you know, the file has been --

Q Is this thing the stamp that you have been referring to?

A Yes, that would be the stamp.

Q Why doesn't it appear on that one if it appears on this one?

A I have no idea.

Q It appears on this one.

MR. COATES: Mr. Warner, if you are going to

discuss these things, would you have them marked for identification?

MR. WARNER: Certainly. I will mark them all.

A This is my handwriting. I must have wrote a letter where I attached them in numerical order.

MR. WARNER: Let me have these marked, as counsel asked. I ask that this sheaf of documents, consisting of twelve pages, be marked for identification.

THE COURT: Let us mark it AA, because I am sure he had some exhibits before. Mark it AA.

(Defendant's Exhibit AA marked for identification.)

xxx

Q Mr. Wood, at page 2, namely 259 on the record, you said to your client, "Please have owners' surveyor advise why these damages were not brought to underwriters' surveyor's attention for incorporation in his report. Also have him indicate the log entries which record or make reference to these damages, since if we are to obtain reimbursement for same, we must give underwriters an adequate explanation as to why these damages are properly claimable. It might also help if we were supplied with a Bureau Veritas report covering the last previous examination of these parts."

A Yes.

Q Did you read that before when I asked you to look at that letter?

A Yes.

Q Did you get a response to this request on your part?

A Yes. He told me to refer to page 271, where it said, in the owners' reply, "Refer to owners' surveyor's report."

Q But that is not attached to the letter that is in evidence, is it?

A No.

Q And you don't have a copy of it?

A I said I would look, and then I was interrupted.

Q Will you look, please.

MR. COATES: No objection to Exhibit AA for identification.

(Defendant's Exhibit AA received in evidence.)

A No, I don't have a copy of the report. It is supposed to be No. 310. I have 311 and 312 and -- I am sorry. 309 is the report the owners refer to. I do not have a copy of it.

MR. WARNER: Do you have a copy of it, Mr. Coates?

MR. COATES: What was the number you wanted, again?

THE WITNESS: 309.

MR. WARNER: 309.

MR. COATES: No, I have 311, 310, and 312.

THE WITNESS: Those are the three I have.

Q Looking again at 37 --

MR. COATES: Wait a minute. 309. Here it is. This was marked for identification as No. 21 at the first trial.

(handed to the witness)

A The owner's letter says that it answers the question that I raised, but I will have to look for it and find the answer. I just don't know where.

Q You have scanned it and you cannot find the answers to those questions?

A Not right off, no. Wait a minute. They mention a cost in here on page 30.

Q Just the cost.

A The cost, right. That doesn't still answer the question I initially raised in that letter. Now, whether I might have referred this part to the underwriters' surveyor later on, I don't recall.

Q Is the same true -- we have been discussing the 1073 -- is the same true with respect to the $525 item immediately beneath it?

A That's mentioned on page 31, but I don't know if

that was in the -- was that the second part of that question that I raised with the owner?

Q Yes.

A The 525. Yes.

Q 525 is referred to on page 2 of your letter: "Please have owners' surveyor explain in full detail what work was accomplished in connection with each of the following accounts:

"a) Neptune machine - labor - $525.

"b) Georgios Karaisaridis - labor - $301.

"c) Th. Corros - labor - $464.50.

"Again, these three accounts are not mentioned in underwriter's report."

A Yes.

Q There is nothing there?

A Well, they are on that 37.

Q 37 is what you prepared?

A Right. What answer did the owners give you on page 27?

Q Same as above. Attach owners' survey report.

A Those three figures -- 525, 464.50, and 301 -- are again mentioned on page 31 of the owners' surveyor's report.

Q Just the figures, no explanation as to the cost?

A No.

Q Are these items that we have been discussing here items which are normal wear and tear items?

A I don't know.

Q Let us turn to the next item, Michael G. Markogianis, Inc., owners' surveyors, $8,207.10.

A Right.

Q What was that for?

MR. COATES: Mr. Warner, are you going to offer No. 21 in evidence?

MR. WARNER: Yes, certainly.

xxx (Plaintiff's Exhibit 21 received in evidence.)

Q Mr. Wood, what was that item for?

A That was the fee in relation to that survey report.

Q Who is Mr. Markogianis.

A The owners' surveyor.

Q Who is he? Wasn't he the owner of the ship?

A I don't know, Mr. Warner.

Q What relationship did he have with the owners of the snip, if any?

A Excuse me?

Q What relationship, if any, did he have with the owners of the vessel?

A Well, he gave us instructions on the placing of

the insurance and other things.

Q In 33 received in evidence there were five --

MR. WARNER: May we have that, your Honor?

Q -- five invoices, which is the next item there, to the Bureau Veritas. What was that for?

A That this vessel was classed with respect to Bureau Veritas at the time.

Q If you read the invoices carefully, they say nothing about class.

A It says for services rendered by authorized surveyor to Bureau Veritas. I am not sure I understand your question.

Q My question to you is, was Bureau Veritas acting as the owner surveyor when these statements were submitted?

A Not to my knowledge.

Q What was Bureau Veritas doing?

A From what I recall, they were the classification society who attended the damages and made surveys in order that the vessel could retain a classification. I don't have the survey reports here, though.

MR. WARNER: Do you have the survey reports, Mr. Coates?

MR. COATES: No. We have no privity with the owner. I don't think they were marked at the last trial.

Q Can you show us in there where it says something

about maintenance of vessel and classification in the Bureau Veritas statements?

A Can I?

Q Yes.

A No. Just the printed form at the top, to the administration of Bureau Veritas. But there is nothing; I can't show you anything.

Q Dropping down to crew wages, overtime and provisions, $9,201.16. Is that a general average?

A That would be.

Q What proportion of that would be payable by cargo?

A Well, the values change radically --

MR. COATES: I object to this, because what is payable by cargo has no relevance to a hull insurance suit, where in the first instance you can make a claim for the full amount against the hull underwriters.

THE COURT: I don't understand what really is going on here. I think it does not appear to me that either one of you so far has been too helpful to me, in line with what the Court of Appeals indicates I am supposed to do. They indicate that what I am supposed to do is to make clear what my allowances for various items were.

For example, on page 725, "Wages and maintenance are not allowable as items unless the crew assisted in or was

"necessary in connection with the repair of the vessel.'" The point is that I am not getting anywhere with this. We have an opinion that specifically outlines what is supposed to be done. I had expected you gentlemen to follow that in order to find out precisely what the Court of Appeals tells me to find out.

I am not retrying this case. I made certain findings. The Court of Appeals says my findings are incomplete in regard to the matter. I had expected in your coming here that you would indicate or present some proof in regard to what these allowances were and why they should or should not be allowed, at the Azores, at Bermuda, and at Baltimore. But that is not being done.

MR. TARLOWE: If I may reply to your Honor: We do have a witness here, an expert, who will testify on that score and as to those questions.

THE COURT: But my question --

MR. TARLOWE: We were --

THE COURT: Wait a minute, please. The question, it seems to me, is that I have some constraints here in respect to what this opinion indicates. I have a list of items that are charged. Some of these items are for wages, as has been indicated. The Court of Appeals has indicated in its opinion that unless there is some showing that the men

were on board to guard the ship or helping to repair, those items may not be allowable in terms of repair.

There has been no evidence in respect of that. There are other items that I have not allowed in regard to Baltimore. There has been no testimony of whether that should or should not be.

You gentlemen have come here without regard, apparently, to either my findings or the Court of Appeals', and I don't think we are getting anywheres.

MR. TARLOWE: We will be prepared right after this witness and Mr. Warner is finished with him. We have an expert witness to put on here.

MR. WARNER: Your Honor, may I explain briefly my question? With respect to footnote 18, page 726, the Court of Appeals says: "There is some confusion in this area, since the standards for determining whether crew wages may be included are different for general average costs than for determining constructive total loss; in this country, as in England, wages of crew while a vessel is being repaired have come to be considered general average costs."

That was why I was trying to distinguish. It will be my submission that if an item is cognizable in general average, it cannot be taken into consideration in arriving at a CTL, and that was why I was asking this witness these questions with respect to G.A.

Q Turning now to --

MR. COATES: Excuse me. Your Honor, we have a contrary position on the law, which is contained in the memorandum which was delivered to your chambers today in summary form.

MR. WARNER: Your Honor, may I comment upon that? I got my copy two minutes before we came in here. It was just shown on the counsel table -- which is helpful too.

MR. COATES: I asked you if you wanted it, and you chose not to read it.

MR. WARNER: At two minutes before the Court came in. Thank you.

MR. TARLOWE: Are you finished, Mr. Warner?

MR. WARNER: I am not finished.

Q The item $9,281.18 for crew wages, did you determine whether the crew was necessary to be aboard the vessel?

A Did I determine it? No.

Q Where did you get those figures?

A From wage statements.

Q Do you know what the crew did during that time?

A No.

Q Were you shown the letter from Mr. Lenfest to Mr. Grundvig, which is dated 27 May 1964, which is Plaintiff's

Exhibit 30A?

A I don't recall any.

(Handed to the witness by Mr. Warner.)

A I don't recall seeing this before.

Q Were you aware that the crew had done nothing on board the vessel during the stay there?

A I was not aware of it.

MR. WARNER: I have no further questions.

THE COURT: Anything further from this witness?

MR. COATES: I would just like to have one correction in his testimony.

REDIRECT EXAMINATION

BY MR. COATES:

Q Mr. Wood, you testified earlier about the scrap value of the Panocean at Baltimore, and you said it was around $26,000?

A Yes.

Q Could you turn to page 323 of the exhibit volume, where there is a certificate of valuation. As part of one of your average adjustment statements.

A Yes. 323?

Q Yes.

A Yes.

Q And that was as of what date?

A In September 1964 the scrap value was $28,875.

Q So would you change your testimony as to what the scrap value at Baltimore was?

A No. I said -- I believe I said I think her scrap value at that time was about $28,000, if I remember my testimony.

Q Yes, but this certificate of valuation had to do with the situation of the vessel much later on, is that correct?

A Yes.

Q After a series of other accidents down in the Gulf?

A Right. But scrap values do not fluctuate that much.

Q Mr. Wood, did you consider at Baltimore a port of refuge?

A Yes.

MR. COATES: No further questions, your Honor.

MR. WARNER: Your Honor, since counsel has asked the witness if he considered the port of Baltimore a port of refuge, may I ask the witness to define what he means by port of refuge.

THE COURT: All right.

THE WITNESS: In this particular instance, a place

where the vessel was detained in order to effect repairs necessary for the safe prosecution of the remainder of the voyage to New Orleans, under Rule 11 of the York/Antwerp rules.

BY MR. WARNER:

Q In the call at the Azores, were the repairs that she called at, at the Azores, were they completed when she left the Azores?

A She just took on water and fuel, as far as I know.

THE COURT: She had no repairs at the Azores as far as I recall. I understood she left, when was it, Flushing, or some place -- I am dredging this up now -- and encountered some heavy weather and had to pull in at the Azores and take on some fuel and stores or something, and then she proceeded out, and then she ran into some more trouble and had to pull into Bermuda, and then finally she limped into Baltimore where the repairs were made. That is as I remember. Then there were these repairs. She left then Baltimore and en route with her point of destination from Flushing being, I think, New Orleans. There she hit some sandbars at Port Everglades, which I discounted in any event, and finally went into New Orleans. That is how I recall this.

So that Azores, Bermuda and Baltimore were not ports of call; they were ports that she had to stop at in

order to try to complete her journey, as I remember the testimony.

MR. WARNER: What I was trying to develop from the witness, sir, was that the vessel completed what she meant to complete at the Azores, namely to get bunkers and water; she then went into Bermuda for bunkers and water and completed that, and then sailed on to her destination.

THE COURT: What is the point? I don't understand what the point is that you are making.

MR. WARNER: Whatever was wrong with her was cured. We wipe the blackboard clean and start off again. That is what I am getting at.

THE COURT: I don't believe I treated Azores and Bermuda as being a part of that. I think that I treated Azores and Bermuda and Baltimore as being part of one matter. I am not going to change it.

MR. WARNER: All right.

THE COURT: At least in that regard I don't think that the Court of Appeals disagreed with me. They thought that was correct.

I thought you were through with him.

MR. COATES: Just one exhibit pertaining to the crew, your Honor, since that has come up. I would like this marked for identification, please.

xxx

(Plaintiff's Exhibit 38 marked for identification.)

THE COURT: Mr. Wood, in order for me to understand your notes, as I read these, the first item is a total of all of the columns.

THE WITNESS: That's correct, your Honor.

THE COURT: So that if I am going to look at what was finally done in the matter, I look at the first column called "Costs"; is that correct?

THE WITNESS: Yes, sir.

THE COURT: And you have here two items: repairs, $90,000-some-odd, and repairs, $40,000-some-odd. Now, you say these damages were due to crew's negligence. Did we have testimony on that in the first trial?

MR. COATES: There was a finding that it was a combination of the crew's negligence and heavy weather coming across the Atlantic that caused these damages. It was those two elements, both covered by the policy.

THE COURT: Are you talking about what I found?

MR. COATES: I believe you did so find, your Honor.

Am I correct, Mr. Warner?

MR. WARNER: Yes. There has been no dispute on that. You found that.

THE COURT: No, but it strikes me that the policy does not cover any repairs, as I recall it, due to the crew's

negligence, does it?

MR. WARNER: Yes, it does, your Honor.

THE COURT: It does?

MR. WARNER: Yes.

MR. TARLOWE: The crew used salt water instead of the regular water and ruined the engines.

MR. WARNER: You found that. That was included. There is no change in that. You included that in your figures, yes, your Honor.

THE COURT: Mr. Warner, it looks to me as if, if that is so --

MR. WARNER: That when you came to your $210,000, you included those items.

THE COURT: I included that?

MR. WARNER: Yes, your Honor.

THE COURT: Then we have almost reached the ball-park for your figure, Mr. Warner. All right. I will have to look at that again.

BY MR. COATES:

Q Mr. Wood, I show you Plaintiff's Exhibit No. 38 for identification and ask you what that is.

A It says it's a crew list.

Q For what vessel?

A For the Panocean at date of arrival, Baltimore, on

April 5.

MR. COATES: I offer it into evidence.

THE COURT: What has that got to do with it?

MR. COATES: This lists the crew, your Honor. One of the things that the Court of Appeals was focusing on was an item, roughly $9,000, on crew wages, which was part of the Baltimore allowances. This shows where the crew was from. It is our position that, it being a Panamanian flag vessel, that a prudent ship owner would not repatriate these people all over the world at great expense during a repair; that he would keep them aboard until the repairs are completed, so as to minimize the damages. I think this is relevant to that contention.

THE COURT: But why is it? The Court of Appeals says that the question is whether or not they participated in the repairs that were necessary to it.

MR. WARREN: No objection.

THE COURT: I am reasonably sure you are correct that he is not going to repatriate them, but that is not the question. The question is whether or not the fact he paid them wages can be made a part of the calculations so as to construct the total loss.

MR. COATES: That is a matter of law which we just briefed today. You probably have not had a chance to read

cases on that. But it is directly to that point.

THE COURT: All right.

(Plaintiff's Exhibit 38 received in evidence.)

THE COURT: Since I very much doubt that I want to see this case again, the Court of Appeals has indicated in the footnote and in the discussion that Mr. Warner has read what it believes to be the law applicable to this question. It seems to me that I am bound to follow that.

MR. COATES: I think they left that open, though.

THE COURT: All right. I will read it again.

Anything further from Mr. Wood?

MR. COATES: Yes, I am through with Mr. Wood.

THE COURT: Mr. Wood, thank you very much.

THE WITNESS: You're welcome, your Honor.

Should I remain, your Honor?

THE COURT: I hope we will not detain you too long, but I think you should. If you can, I would appreciate it.

Are we going to finish today, gentlemen?

MR. COATES: We would like to, your Honor.

THE COURT: All right. Why don't you wait, Mr. Wood, just in case I may have questions. Why don't you just sit down some place and be comfortable. If you are more comfortable, you can sit in the jury box where there are soft

seats.

MR. COATES: I call Mr. Grundvig, your Honor, to the stand.

O T T A R G R U N D V I G, called as a witness by the plaintiff, being first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. COATES:

MR. COATES: May I have this folder marked for identification.

xxx (Plaintiff's Exhibit 39 marked for identification.)

Q Mr. Grundvig, just to refresh the Court's recollection, could you state in general summary terms what your relationship is to this litigation?

A I am president of Ferro-Bet Corporation of America, which is one of the plaintiffs.

THE COURT: I remember. You testified at the trial?

THE WITNESS: Yes.

THE COURT: You testified.

THE WITNESS: Yes.

Q Mr. Grundvig, I showyou a folder marked 39 for identification and ask you to identify it.

A This is a folder that contains exchange of telegrams with the ship and correspondence with the owner

and with the master of the vessel.

Q For what period?

A For the period of February -- just a second -- March, April and May, 1964.

Q And these items came from your business files, is that correct?

A Yes.

MR. COATES: I offer them into evidence.

Your Honor, do you have the crew list there?

MR. WARNER: No objection.

(Plaintiff's Exhibit 39 received in evidence.)

Q Mr. Grundvig, I show you the crew list. First I ask you, have you had experience other than with Panocean as an operator or charterer of Panamanian charter vessels?

A Yes, I have.

Q What did the ship owner in this instance do with the crew at Baltimore during the repair period?

A Not knowing the duration of the repairs, we decided to retain the crew for practical reasons and reduce the cost in general average.

Q What would his alternative have been?

A To repatriate the crew and pay the balance of wages, possibly what you call abrogation payments to the crew, and fly them back to the home countries or to the points where they had been signed on.

Q And what would it do to re-crew the vessel?

A You would have to obtain crews, mostly from abroad. Being a Panamanian vessel, it would be hard to find competent crews in Baltimore or in the United States.

Q Could he take an American crew?

A Yes, he could, but it costs three times as much.

Q Is that because of union scales?

A Yes.

Q And could he have left off any of the foreign crewmen at Baltimore?

A No, he cannot, because it is against U. S. law of Immigration. Not permitted to stay more than three days in the United States, foreign crewmen.

MR. COATES: I have no further questions, your Honor.

MR. WARNER: No questions.

CROSS-EXAMINATION

BY MR. TARLOWE:

Q May I ask a question, Mr. Grundvig. Assuming an owner or operator discharges an entire crew during that period, does he have to hire any crew at all or can he leave the boat, the vessel absolutely abandoned without any crew?

A He cannot. He will have to have competent men in the engineroom and competent men to look after the ship.

Q On a 24-hour basis?

A On a 24-hour basis, and a watchman on 24-hour basis.

THE COURT: All right. Thank you.

(Witness excused)

THE COURT: Anything further?

MR. COATES: Your Honor, we have an expert witness here, Mr. Bowser. I would like to call Mr. Bowser to the stand.

H A R O L D S. B O W S E R, called as a witness by the plaintiff, being first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. COATES:

Q Mr. Bowser, by whom are you employed?

A John P. Tilden, Ltd. I am the manager of their adjustment department.

Q How long have you been employed by them?

A Ten years.

Q What type of adjusting do they do?

A All kinds. General average, particular average.

Q Before being employed by Tilden, by whom were you employed?

A I was with Adams & Porter for eighteen years.

Q What type of work did you do there?

A The same work.

Q And you have been doing marine average adjusting for that stretch of years for both those concerns, is that correct?

A That is correct.

Q Mr. Bowser, I show you a sheaf of exhibits here -- 33, allowances to vessel at Baltimore; 31, allowances to vessel at Azores; 32, allowances to vessel at Bermuda; 37, handwritten notes by Mr. Wood; and 28, which is the draft adjustment prepared by Mr. Wood. I ask you if you have reviewed these before coming to court today.

A Yes, I have.

Q From your experience and review of those documents, did you go about calculating a, quote, constructive total loss, unquote, figure for the vessel at Baltimore up to the point of the telemotor failure in Chesapeake Bay?

A Yes, I did.

Q Could you tell the Court, item by item, how you went about that and what figures you arrived at, refreshing your recollection as you need to from the exhibits which are put before you?

A Well, basically I started with the amount of $211,499.71, which was the amount shown in the trial court. Then I added to it from list 28, items 21, 22 and 26 --

MR. WARNER: Hold on a second. I can't follow that.

MR. COATES: He is --

MR. WARNER: What exhibit are you referring to, sir?

THE WITNESS: Exhibit 28.

THE COURT: You had better tell me what the items are.

THE WITNESS: The items are -- all those items are parts that were supplied to the vessel required in repairs.

THE COURT: Tell me what they are, and tell me what the amounts are.

THE WITNESS: Well, New Star Supply, $767.28.

MR. WARNER: 28 was not received in evidence, and I don't have a copy to follow the witness' testimony.

MR. COATES: I believe it is in evidence.

THE COURT: It is in evidence now. It was admitted into evidence.

MR. COATES: Yes.

THE COURT: You did not object to it, Mr. Warner.

MR. WARNER: No, but the fact that --

THE COURT: Why don't you come up here and look at it while the witness is testifying.

MR. WARNER: If I find out what he is looking at, maybe I do have it.

All right, thank you.

THE COURT: That is Mr. Wood's calculations.

THE WITNESS: Your Honor, I do not have the actual bills; so, as to what is in them, I don't know.

THE COURT: I understand.

THE WITNESS: But item 21 is New Star Supply. Item 22, New Star Supply, $5,648.90. I know that this particular item was lifeboat supplies that were lost overboard during the heavy weather, presumably. Item 24 was lost oils as indicated, which is also charged to the heavy weather.

Q Will you give the amount?

A $524.57. Item 28 is labeled engine parts, $1,043.

Q Did you give the sum for the New Star Supply?

A Yes.

Q All right.

A Item 25 is for crew repairs in No. 1 hold, $1,072.55.

Item 30 is labeled "Crew Repairs on Engines," $464.50; and item 31, "Crew Repairs on Engines," $301.

Item 15, disbursements at Baltimore, is allowed in particular average in the sum of $11,097.96. That is the

proportion charged to the general average, which is $920.87. Or a net total of $10,177.09.

There is a further item on the struck lock for deferred damage of $2,489 not included in the original amount.

Maryland Ship pump repairs, item 26, $229.

Item 29, Neptune Machine repairs, $525.

The services of the owners' surveyor, item 35, $8,207.10.

Bureau Veritas, item 36, $3,285.

And the Baltimore general average expenses, item 38, 39 and 40, in the amount of $11,016.29. Which gives a total of $257,206.06.

THE COURT: I don't think you are helping me very much by merely mentioning those items. I gather that the items that you have included, in examining my findings, are items that I did not include, and what I want to know is, what is your rationale for including the items.

THE WITNESS: Well, I followed the adjuster who prepared the claims report in taking those items. Now, I do not have the actual bills, but these are the type of items that would be included as damages to make up a CTL.

THE COURT: I see.

THE WITNESS: Parts used in repairs, survey expenses.

THE COURT: Wages? Did you have some item in there about $11,000 in wages? That is included?

THE WITNESS: No, that was -- you can add the general average to the particular average.

THE COURT: I am not sure I understand you.

BY MR. COATES:

Q Mr. Bowser, he is talking about the crew wages that are included in your item "Baltimore general average expenses."

A Well, that is general average.

Q So you would include that, is that correct?

A Yes.

THE COURT: Why?

THE WITNESS: Well, the measure of loss would be both the general and the particular item expense which the underwriter would have to pay in order to -- his limitation--

THE COURT: Why is the general average included? Is it based upon what Mr. Grundvig has indicated: because the crew was in Baltimore and they were foreign and they had to be kept on board? Is that the reason that you are including the wages of the crew?

THE WITNESS: No, they are included --

MR. COATES: Your Honor, I think I have --

THE COURT: Wait a minute. I am asking the

witness.

THE WITNESS: This is an actual expense that was undergone. What might have been would be theoretical. This is actually what they spent.

THE COURT: On the wages of the crew?

THE WITNESS: On the wages of the crew.

THE COURT: All right.

BY MR. COATES:

Q Mr. Bowser, I show you the cover notes which came in as Exhibits 35 and 36. This is on the hull policy. I call your attention to an item fourth from the bottom, having to do with the coverage in the hull policy, and I ask you to tell the Court what that is.

A This reads, "Including general average, salvage and special charges as per York/Antwerp approvals or 1950 at owner's option." The only thing that this is adding -- this would be covered by a normal hull policy, but they are giving you the option of taking either a 1924 or 1950 rule. In any case, without that wording, it would still be covered in the policy.

Q So, in other words, general average expenses are covered under the hull policy, is that correct?

A That is correct.

Q That would include these crew wages that we are

speaking of, is that correct?

A That is correct.

Q Do you have an opinion, Mr. Bowser, as to whether or not the vessel, SS Panocean, was provably a constructive total loss at Baltimore?

A I would say it was.

Q Do you agree with Mr. Wood that Baltimore was a port of refuge?

A Yes, I do.

Q What is the basis for your conclusion that the --

THE COURT: I don't think I need that.

MR. COATES: I have no further questions.

THE COURT: I think so far as I am concerned it was explained, that part of it. She had to put in Baltimore to get repairs in order to continue her journey, as far as I can understand.

Mr. Warner, do you have any questions?

CROSS-EXAMINATION

BY MR. WARNER:

Q The first item, port disbursements, $11,097.96, what did that consist of?

A I do not have the bill, but customarily it would be agent's account.

Q Would it include adjuster's expenses?

A No.

Q Suppose it did, the figure you are looking at --

MR. TARLOWE: I object to that, "suppose it did." Let us see if we have any evidence that it did.

THE COURT: All right. I would think that that is fair. He says it did not include adjuster's expenses.

THE WITNESS: This I take to be an agency account. I don't have the account before me.

Q In short, you just take these figures and because it has the label "port disbursements," etc., you say that can be included as an item in arriving at a CTL without knowing what its components are?

A Well, I know that the man who drew it up is a qualified adjuster, and the items that he put in there would belong.

Q But you have no idea of what the components of the $11,097.96 figure are?

A That is correct.

THE COURT: I gather that what you are saying is that you are taking those figures to be what is normally included in the trade and, based on that, you are saying that it would be an item which would be toward the constructive total loss. Is that what you are telling me?

THE WITNESS: That is correct, your Honor.

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THE COURT: And that you do not feel that Mr. Wood would call that or include that, if he were talking about adjuster's expenses, under the umbrella of --

THE WITNESS: No, sir.

THE COURT: -- of -- what is it?

THE WITNESS: "Et cetera."

Q Did you include the next item, "Maryland Ship Services"?

A Maryland Ship, item 26? Yes.

Q You included that?

A Yes.

Q 16. You did not include 16.

A 16 was included in the $211,000 item.

THE COURT: 16 was included in my findings.

MR. TARLOWE: In your findings.

THE COURT: What he has done is to --

THE WITNESS: I started with that as a premise.

THE COURT: -- start with those items and then add to it to get beyond $240,000.

Q As I understand your testimony, you have not looked at any of the underlying supports, any of the documentation; you have merely looked at, I believe it is, the Exhibit 28 compilation?

A No. I looked at item 22, is the only one I did

see, which is the $5,000 item from New Star Supplies.

MR. COATES: But you did look at the other exhibits which are before you, is that correct?

THE WITNESS: Oh, yes; oh, yes.

Q Then those again are worksheets; they are not the original documents?

A That is correct.

Q What did you look at on this New Star Supply?

A I looked at a photostat of an invoice.

Q What did you glean or learn from that?

A Well, a part of the items were disallowed as being -- the owner having ordered more items than were allowed actually in the adjustment, so apparently -- in other words, the adjuster knocked some items out because they weren't part of the survey.

Q Did I understand your testimony on direct that cargo's proportion of general average may be included in arriving at a CTL?

A No, I didn't say that. The appellate court said that.

Q What do you say, as an average adjustment?

MR. TARLOWE: I object to that.

A As an average adjuster, I would --

MR. COATES: He is calling for a conclusion of

law, I believe, your Honor.

THE COURT: I don't understand why --

MR. TARLOWE: He is calling upon the witness to contradict the appellate court.

THE COURT: I don't understand why you are saying that. You have been asking him to make conclusions of law or fact all along; also, under the new rules I don't think that is objectionable anyway. He may answer.

A I would allow all of the sacrifices and the hull's proportion of the disbursements at a port of refuge.

Q But not cargo's proportion.

A No. Cargo's proportion of the vessel's sacrifices, yes, but not cargo's proportion of the vessel's disbursements.

Q What do you mean? Tell us what sacrifices and disbursements are, if you will.

A Sacrifices in a case of this kind would be fuel and stores, simply; in other words, items 4, 5, 11, 12, 39, 40.

Q Who would pay those?

A In the first instance, they would be paid by the hull underwriter, and then you would have recourse against cargo for their share of them later.

Q By the hull underwriter or by the owner?

A By the hull underwriter.

Q But now getting back to my question, is cargo's proportion of G.A. to be included in arriving at a CTL?

A You mean would I do it?

Q Yes.

A The Court did it.

Q The generally accepted practice of average adjusting, I am asking you.

A No, I would not allow the cargo's proportion of the general average disbursements. I would allow the cargo's proportion of general average sacrifices.

Q All right. What are the disbursement items, just so we have no confusion here?

A Disbursements would be item 2, $422.90; item 3, $337.97; item 8, $936.64; item 10, $873.27; item 28, $9,613.91.

And item -- that's it. As to those, I would only allow, I think John Wood said 20 percent. If those figures are right, 20 percent would be allowed of those items.

Q What about the fuel replacement, $1,096?

A That is a sacrifice.

Q I beg your pardon?

A That is a sacrifice.

Q In reaching a CTL, would you include a call at the Azores and Bermuda?

A Yes, I would.

Q Why?

A This claim occurred during the time that there was a voyage clause in the hull policy, and this all occurred on the voyage.

Q What does a voyage clause in the policy mean?

A What I would have to have to answer that question is the American hull form to give you the lines involved on a 1964 form.

Q How many surveyors' fees would you allow in arriving at a CTL?

A Two.

Q Two?

A One for owners and one for classification.

Q But with the exception of one invoice, you did not check any of the invoices here?

A I didn't see any of the invoices, no.

Q Just the recap that you have before you.

MR. WARNER: I have no further question, your Honor.

REDIRECT EXAMINATION

BY MR. COATES:

Q Mr.Bowser,is there a custom and usage in the preparing of ships having to do with adding a contingency

extra element in deferred or unrepaired items, percentagewise?

A If you are referring to the Armar decision, in that case they did.

Q Do you recall the percentage?

A I believe it was 20 percent.

Q Do you know the Medina Princess case too?

A Yes.

Q Did they do it in that one?

A I am not sure if they did it in that case.

Q But this is something with which you have some knowledge, is that correct?

A That is correct.

Q Would you say it is customary to do so?

A If you are going to a bargaining table, I would say so.

MR. COATES: No further questions.

MR. WARNER: No questions.

THE COURT: Thank you very much.

(Witness excused)

THE COURT: Anything further?

MR. COATES: No, your Honor.

THE COURT: Anything further, Mr. Warner?

MR. WARNER: I would like to call Mr. Wood for a moment, if I may.

(Witness excused)

wc 1

J O H N H. W O O D was recalled by the defendant and testified further as follows:

DIRECT EXAMINATION

BY MR. WARNER:

Q Do you still have Exhibit 23 before you, Mr. Wood?

A Yes.

Q Mr. Wood, you were handling the claim for the owners of the Panocean?

A That's right.

Q Did you ever submit a claim for constructive total loss to the hull underwriters of the Panocean?

A No.

Q Why not?

A Because I didn't think she was --

MR. TARLOWE: I object to the question "Why not?"

THE COURT: Objection is overruled. But you are not adding to my knowledge. I understood that that had not been done in the trial before, that he had not submitted any claim of constructive total loss. I don't recall what his reason for it was.

MR. WARNER: Your Honor, one witness testified on the basis of Mr. Wood's worksheets there was a CTL, and I want to ask him why he did not put in for one. That is what Mr. Bowser just testified.

THE COURT: I am not objecting to that. I just knew that he had not put in a claim for constructive total loss. I knew that from before. So you can go to the next question as to why he did not do it.

Q Will you explain, Mr. Wood.

A Based on what I knew of it, that I didn't consider the vessel was a CTL, and I was never requested to do so by the vessel owners. Normally, in a case like that, where the owner thinks that it is very close to the required figure, he would ask you to put in a claim.

Q But doesn't he rely upon your advice and counsel on these things?

MR. TARLOWE: If your Honor please, I object to that. The question is leading, not material to the issues here.

THE COURT: The question is material to the issue. I don't see that you can object to having one person that is in the field testify and then Mr. Wood not be able to testify. It is ridiculous. The objection is overruled.

MR. TARLOWE: No, I --

THE COURT: Please sit down.

Q Mr. Wood, taking a look at 28 -- I want to go through 28 -- item 1, port disbursements, The Azores. Was that part of a CTL? First item. $533.

A Just $115.25, probably.

THE COURT: You mean taking 20 percent of it?

THE WITNESS: No, I am taking the item that I have marked, this particular average.

Q Take the next item: 2. crew agents. How much?

A Stretching it, $6.20 might be added.

Q Third item.

A $1507.98, which is the G.A. part, as Mr. Bowser testified, fuel and stores are actually allowances to vessel, and under the hull policy, where you have damage to the ship, the underwriters are liable for a hundred percent of the damage. So I would agree that the $478.14 and the $50 following could probably be added in full.

Q Then let us go to Bermuda. What would you allow there?

A $91.90. This is for testing for a CTL, right?

Q Testing for a CTL.

A And perhaps $22.40, which is the crew overtime, and $2196, and also the $75, which again would be the same basis as before, allowances to vessel being where they relate to part of the insured ship, which is fuel oil in this instance, can be claimed from the hull underwriters in full.

Q Let us go to 11,000, line 15. That is the next one. How much of that?

A Of the $970.87?

Q Line 15?

A Yes. Column 5, G.A.?

Q Yes. But in testing for a CTL, how much of the item on line 15 could be included in testing for a CTL?

A Well, the part that relates to tugboats, pilots, and things of that nature, directly related to the repair of the vessel. Agency fees would not be permitted.

Q Can you give me a breakdown of this 11,000 figure?

A I don't have it.

Q So that is an open end?

A Excuse me?

Q It is an open end here insofar as testing for a CTL?

A I don't have the papers, so I don't know how much of that would be allowed. I don't have the accounts that back it up.

Q Let us go to line 16. What about that?

A That was accepted, I believe, the full amount.

Q Could any part of that be charged off to G.A.?

A Perhaps.

Q How much?

A It depends on certain adjusters will use port of refuge expenses as general average items.

Q Approximately how much of that?

A Approximately the whole 6200 is possible. Again, I don't have a breakdown of it.

Q How much of that would have been recoverable from cargo?

A In respect to the Baltimore detention, the steel coils were off the ship, so therefore the value of the cargo that was going to New Orleans was about $34,400 and, as I indicated before, the scrap value of the ship was about $28,000. So it looks like about a 60-40, just roughly. So 40 percent of the general average at Baltimore could be claimed as part of your CTL.

Q In testing for it. All right, let us go to line 18. Starboard locks repaired. Would that item be included in testing?

A In full.

Q The next one, 19.

A Full.

Q The next one, 20.

A Full.

Q 21?

A Full.

Q 22?

A Full.

Q 24?

A Full.

Q 25?

A Full.

Q 26?

A Full.

Q 28?

A Full.

Q This is the one wherein you had asked or made inquiries to the owner and received no response?

A I am not sure that I didn't get a response, Mr. Warner, other than I might have gone into it further on. I don't remember the whole thing. You know, I don't remember the sequence.

Q In the record before us today, no adequate explanation has been given for that item.

A Correct.

Q That you have seen today.

A Yes.

Q All right. 29.

A The same.

Q The same is true as to that?

A The same. Same answer as in respect to 28.

Q 30?

A The same answer as in respect to 28.

Q 31?

A Same answer as respects 28.

Q 33?

A 33, that is allowed in full.

Q 34? Still testing for a CTL.

A Yes. Allowed in full.

Q 35?

A Full.

Q Have you seen an invoice, an explanation for that item?

A I recall seeing an invoice, but I don't have it now.

Q Was it agreed to by the underwriters that were there?

A It is not an expense that you normally would have agreed to by underwriters there.

Q What about the next item, Bureau Veritas?

A Well, certain of those accounts are in the disbursements at Baltimore. Except for the 635 appearing in column 6, I think they would probably be allowed in full.

Q Salvage Association, the next item?

A No, that is never allowed.

Q The next item, crew wages?

A On the same 40-60 basis as I referred to before.

Q So cargo should have picked up 40 percent?

A No, 60 percent cargo should.

Q 60 percent of any crew wages, and therefore 40 percent would be used only in testing for CTL?

A And that refers to the 920.87 on line 15.

Q Fuel replacement.

A Probably in full, for the reasons mentioned before for fuel at The Azores and Bermuda.

Q Engine storage?

A Same. Allowed in full, for the reasons mentioned before.

MR. WARREN: No further questions.

CROSS-EXAMINATION

BY MR. COATES:

Q Mr. Wood, isn't it true that the cover notes that are in evidence specifically refer to general average as being covered by the hull policy?

A Yes.

Q And have you taken that into account in answering Mr. Warner's questions?

A Well, it is only the proportion that attaches to the ship that is recoverable under the policy.

Q The reference in the cover notes to the York/

Antwerp rules is something you would have to focus upon to answer his questions correctly; is that correct?

A I did focus on the York/Antwerp rules.

Q You did.

A Yes. Oh, definitely.

Q All right.

THE COURT: Thank you. Anything further?

MR. WARREN: I have no witnesses, your Honor.

MR. COATES: No, your Honor.

MR. TARLOWE: No further witnesses.

THE COURT: Thank you, Mr. Wood.

(Witness excused)

THE COURT: Gentlemen, I don't care whether you file a brief or not, but I am going to want some supplemental, I suppose you would call it, proposed findings and conclusions to be utilized in this matter, and I want them, as I have in the past, geared to the testimony and the exhibits that we have had put in today. I would like to get this done reasonably quickly, because I am going to find myself tied up in some long criminal trials. I really would like to get this out of the way. I want your cooperation. I would like those findings submitted as quickly as possible.

MR. COATES: Do you want to set so many days after receipt of the transcript, your Honor?

wc 10 Wood - cross (recalled)

THE COURT: The court reporter informs me he will have the transcript in a couple of days. What do you think, Mr. Warner? Two weeks after that?

MR. WARNER: As I recall it, I think the holidays are coming up.

THE COURT: That is right.

MR. WARNER: Next week, your Honor, so that --

THE COURT: The end of next week is the 16th, and then the 17th and 18th. But we are now only at the 6th. A couple of days may mean the 8th. You might be able to get them in by the 16th. It is easier for me, and it means I will dispose of it more quickly, the sooner I get it. If you wait for some time, I get bogged down, plus the fact that my impressions fade and I will have to reread the transcript, which takes time. It is up to you. I am not going to press you.

MR. COATES: I suggest roughly two weeks after receipt of the transcript.

THE COURT: All right. The 22nd or 23rd. Is that agreeable to you?

MR. WARNER: The 23rd is agreeable to me, your Honor.

THE COURT: Then, assuming the transcript is ready in a couple of days, we will say the 23rd, at the

close of the business day, and that will be the limit of any proposed findings and conclusions. And I want them filed simultaneously. If there is any finding or conclusion that you want to add to it by virtue of your opponent's submission, you may file any supplements or additional ones by, let us say, the 27th, close of the business day.

If you want to file a memorandum, that is fine, but that is up to you. I am chiefly concerned about the proposed findings and conclusions.

MR. TARLOWE: One week to reply, approximately?

THE COURT: No, the 27th. The 23rd and the 27th.

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Opinion of Judge Carter Filed June 1, 1976.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- x

INEZ H. BENEST and MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK, As Executors of the Estate of Harold G. Benest, and KENNETH F. YARRINGTON,

Plaintiffs,

- against -

HAROLD W. COLDWELL,

Defendant.

65 Ad. 1008

- x

FERRO-BET CORPORATION OF AMERICA,

Plaintiff,

- against -

HAROLD W. COLDWELL,

Defendant.

66 Ad. 277

- x

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Opinion of Judge Carter.

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CARTER, District Judge

Opinion of Judge Carter.

O P I N I O N

This case is before me on remand pursuant to instructions from the Court of Appeals to make detailed findings as to whether plaintiffs have established a constructive total loss of the PANOCEAN, the chartered vessel in question, warranting recovery under the terms of an anticipated profits marine insurance policy. Lenfest and Marine Midland Grace Trust Co., etc. v. Coldwell, 525 F. 2d 717 (2d Cir. 1975). Pursuant to the Court of Appeal's suggestion, a further evidentiary hearing was held on April 6, 1976. John Wood, Manager of the Adjusting Department, Great Eastern Association, insurance brokers for the vessel's owners, Otto Grundvig, President of the plaintiff corporation, and Harold Bowser, Manager of the Adjusting Department of John P. Tilden, Ltd, testified, and additional briefs were submitted.

A brief recapitulation of the background facts may be helpful. Plaintiffs as indicated are seeking recovery of $150,000 on an anticipated profits marine insurance policy. Such payment was to become due in the event the chartered vessel PANOCEAN became a total, constructive, arranged or compromised total loss as a result of marine or war perils. The vessel was under charter to plaintiff, Ferro Bet. The claim for recovery

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on the basis of the vessel's having become a constructive total loss could be based on the costs of repairs to the vessel if these exceeded $240,000, the value for which the hull and machinery of the ship was insured.

PANOCEAN began the voyage that brings the case here on November 19, 1963 from Curacao bound for New Orleans. En route it discharged and took on cargo at various intermediate ports, including Flushing. It left Flushing on February 24, 1964, with a cargo of steel coils which was to be discharged at Baltimore. Its troubles began en route. It ran into heavy weather causing damage to the vessel and it was required to take refuge in the Azores, then Bermuda before finally being able to limp into Baltimore on April 3, 1964. There, it was required to remain for extensive repairs. On June 2, 1964, it was tendered to plaintiff corporation as ready and fit to continue on to New Orleans under the time charter party. PANOCEAN set sail for New Orleans on June 12, 1964, ran into trouble almost immediately when its steering engine telemotor system failed. That system was repaired, and the voyage was resumed. It ran into trouble again at Port Everglades, Florida where it was stranded. Finally, it arrived in New Orleans on July 18.

From the Court of Appeals opinion, it is clear that on the facts in this case that no costs subsequent

to the repairs effectuated at Baltimore are properly allowable in determining whether there has been a constructive total loss. The ship was tendered to the plaintiff charterer after the extensive repairs at Baltimore as fit and ready to resume operation under the time charter agreement. While repair to one of the main boilers which had suffered damage en route from Flushing to Baltimore was deferred, the trouble encountered just outside Baltimore and at Port Everglades resulted from damages and injuries to the vessel wholly independent of those damages requiring repair at Baltimore. "[I]ndependent successive casualties incurred after the ship has been repaired may not be cumulated." Id. at 727. Moreover, plaintiffs appear to have abandoned their contention that post-Baltimore repairs are relevant in this case to a determination of a constructive total loss.

The evidence adduced at the April 6, 1976 hearing makes clear that the only issue before the court is whether there was a constructive total loss. John Wood handled the claim which the owners filed with the hull underwriters. He testified that no claim for constructive total loss was submitted. This testimony stands uncontroverted, and thus it has not been demonstrated that the funds paid to the owners by the

hull underwriters were in settlement of a constructive total loss claim. See Oscar L. Aronsen, Inc. v. Compton, 370 F. Supp. 421, 427 (S.D.N.Y. 1973), aff'd 495 F. 2d 674 (2d Cir. 1974).

The findings as to the allowable costs toward a constructive total loss and the reasons therefor follow. The vessel was required to take refuge at the Azores and Bermuda. These diversions were required to save the ship from peril. At Azores, $538.15 was paid in port disbursements which included $115.25 for crew negligence, $344.17 in crew wages, $6.20 of which is listed as crew negligence, $1,986.12 in fuel replacement and $50 in engine stores. Defendant contends that of the total $344.17 for crew wages only $6.20 for crew negligence should be allowed, and that only the $115.25 expenditure for crew negligence of the $538.15 in port disbursements is properly allowable as cost against a constructive total loss. Wood testified that approximately 40% of crew wages is properly allowable on the basis of a 40-60 ratio of vessel to cargo.

Allowable costs may properly include those incurred to deliver a ship from peril to a port of refuge. All of the costs at Azores are directly attributable to damages the ship suffered pursuant to the marine peril

it had encountered. Although repairs could not be undertaken there, it was necessary to put in at the Azores so that the ship could proceed on its scheduled course. Thus the entire cost--$2,918.44--incurred at Azores is allowed. The same is true for the costs at Bermuda ($1,028.60 in port disbursements of which $91.96 is attributed to crew negligence, $895.67 in crew wages, $2,196.00 for fuel replacement and $75.00 for engine stores) for a total of $4,195.27. Again, defendant contends that only port disbursements of $91.96 and $22.40 of crew wages attributed to crew negligence are properly allowable, but the court finds otherwise.

These costs may be added to the costs incurred at Baltimore for repairs in computing a constructive total loss. The Azores and Bermuda diversions were not independent of the repair costs at Baltimore and, therefore, successive independent casualties are not being cumulated. The perils encountered between Flushing and Baltimore required putting in at the Azores and at Bermuda. The stopover and costs incurred at the Azores and Bermuda are, therefore, directly connected to the repairs at Baltimore. The only reason repairs were deferred until the vessel reached Baltimore, was because it was only at that location that extensive facilities existed to effectuate all of the repairs required.

Opinion of Judge Carter.

Baltimore, unlike the Azores and Bermuda, was a scheduled port of call. The vessel was to discharge cargo there. It was present at Baltimore both for repairs and to perform a charter party task. Thus, before an expenditure can be said to be properly allowed, it must be determined whether it was an expense for repairs or for some other purpose. Hence an $11,097.96 item listed as port disbursements must be shown to be connected to the repairs or it cannot be allowed. No explanation of that item was forthcoming. Included, however, is $316.89 that appears to be for pilotage charges and is allowed. The following costs at Baltimore are for repairs or in connection with repairs and are allowed: $6,200 for services, $2,604 for repairs to a struck lock, $2,485 for deferred repairs of a struck lock, $53,799 for heavy weather repairs, $767.65 and $5,648.90 for parts; $524.57 for sundry repairs, $1,072.55 for repair of No. 1. hold, $229 for repair of damages to pump, $1,043 for engine replacement; $164.50, $525 and $301 for labor on engine; $92,403 for repairs to boiler attributed to crew negligence, $49,340 for boiler repairs which are deferred. In addition, $8,207 for owner's surveyor is allowed, and $3,285 for Bureau Veritas on five accounts in which Bureau Veritas was to examine or ascertain, recommend, supervise and report on repair of various damage to the ship is allowed,

as is $321.51 for fuel replacement and $160 for engine stores. [1] The total allowable costs thus far add up to $236,811.28 ($2,918.44 at the Azores, plus $4,195.27 at Bermuda and $229,697.57 at Baltimore).

There is an item (#38) of $9,631.91 for crew wages at Baltimore. This item is in dispute. Plaintiff contends it is allowable in full; defendant contends none of it is allowable. John Wood, who was questioned by defendant on this issue, contends that 40% of this item should be allowed. The ship was operating under a Panamanian charter, and all the crew members were foreign residents, who with two exceptions, signed on outside the United States. No one knew how long it would take to complete the repairs at Baltimore. The crew could have been discharged and paid at Baltimore during the wait but this would have required that each be given passage back home or to the place where he signed on. It was considered economically prohibitive to have an American crew because of the high wages American crew standards required. Thus, if the crew had been disbanded, a foreign crew would have had to

---

[1] These items are listed in plaintiff's Exhibit 28 at the hearing on remand and included items allowed at the Azores and Bermuda, and are items 2, 3, 4, 5, 8, 9, 10, 11, 12, 15 ($316.89 of $11,097.96), 16, 18, 19, 20, 21, 22, 24, 25, 26, 28, 29, 30, 31, 33, 34, 35, 36, 39, and 40.

Opinion of Judge Carter.

have been executed and signed on June 2, 1964, when the repairs at Baltimore had been completed, and the vessel tendered to plaintiff corporation as fit to resume on charter. The decision was made to keep the crew on. Thus, the costs of keeping the crew together at Baltimore was a direct consequence of the damage the vessel suffered at sea, and should be allowed. Even taking Woods' 40-60% and allowing 40% of the $9,631.91 amount or $3,852.76 would bring the allowable total to $240,664.04 and allowing the full $9,631.91 amount, brings the total to $246,443.19. In either case the costs of repairs is in excess of the $240,000 value for which the ship's hull and machinery were insured. As the Court of Appeals indicated "[t]he relatively helpless position of the charterer in the face of loss of freight and anticipated profit, a condition known in advance to the insurer, suggests that we interpret with some liberality the costs allowable in the determination of whether there was a constructive total loss." Id. at 724.

Accordingly, plaintiffs are entitled to recover $150,000 provided for in the insurance policy, with interest at 6% from the date of the institution of this litigation.

SETTLE ORDER.

Dated: New York, New York
June 1, 1976

ROBERT L. CARTER
U.S.D.J.

United States District Court
FOR THE
Southern District of New York

ELIZ H. LENFEST and MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK, etc., et ano.,

Plaintiffs,

- against -

HAROLD W. COLDWELL,

Defendant.

*

OPINION

ROBERT L. CARTER

65 Ad. 1008
66 Ad. 277

* FERRO-BET CORPORATION OF AMERICA,

Plaintiff,

- against -

HAROLD W. COLDWELL,

Defendant.

FPI-MI—11-6-72 IM 0476

Order and Judgment Entered July 26, 1976.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

INEZ H. LENFEST and MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK, As Executors of the Estate of Harold C. Lenfest, and KENNETH F. YARRINGTON,	:	
Plaintiffs,	:	65 Ad. 1008 (RLC)
-against-	:	
HAROLD W. COLDWELL,	:	
Defendant.	:	
	:	ORDER AND JUDGMENT
FERRO-ET CORPORATION OF AMERICA,	:	# 76,709
Plaintiff,	:	66 Ad. 277 (RLC)
-against-	:	
HAROLD W. COLDWELL,	:	
Defendant.	:	

These consolidated actions on remand came on for evidentiary hearing on April 6, 1976 before the court, the Honorable Robert L. Carter, District Judge, presiding, and the remanded issues having been duly heard and a decision having been duly rendered, it is hereby

ORDERED AND ADJUDGED that plaintiffs in the first of the above actions (65 Ad. 1008) recover of the defendant the sum of $75,338.85 with interest thereon at the rate of six percent per annum to run from October 8, 1965, and

their costs of the action; and the plaintiff in the second of the above actions (66 Ad. 277) recover of the defendant $74,661.15 with interest thereon at the rate of six percent per annum to run from March 18, 1966, and its costs of the action.

Dated: New York, New York
July 23, 1976

Robert C. Carter
U.S.D.J.

JUDGMENT ENTERED — 7/26/76
Raymond F. Burghardt
Clerk

Notice of Motion of Defendant to Set Aside Findings of Fact, Conclusions of Law and Judgment, Etc.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

INEZ H. LENFEST and MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK, As Executors of the Estate of Harold C. Lenfest, and KENNETH F. YARRINGTON,

Plaintiffs,

-against-

HAROLD W. COLDWELL,

Defendant.

65 Ad. 1008 R.L.C.

FERRO-BET CORPORATION OF AMERICA,

Plaintiff,

-against-

HAROLD W. COLDWELL,

Defendant.

66 Ad. 277 R.L.C.

MOTIONS PURSUANT TO RULES 52 and 59

PLEASE TAKE NOTICE that upon the grounds stated in the attached affidavit of WILLIAM WARNER, sworn to the 27th day of July 1976, based upon the pleadings, proceedings and evidence received in these causes, defendant, Harold W. Coldwell moves the Court,

(1) pursuant to Rule 59(a) of the Federal Rules of Civil Procedure, to set aside the findings of fact and conclusions of law, and judgment entered herein on or about 23 July 1976, and to grant defendant a new trial on the issue of the right of plaintiffs in their actions to recover $150,000 with interest from defendant, Harold W. Coldwell, and

Notice of Motion.

(2) pursuant to Rule 59(a) of the Federal Rules of Civil Procedure to set aside the findings of fact and conclusions of law and judgment entered herein on or about 23 July 1976 and grant defendant a new trial on the issue of whether there was a constructive total loss of the vessel PANOCEAN under the anticapted profits policy as claimed by plaintiffs, and

(3) pursuant to Rule 52(b) of the Federal Rules of Civil Procedure to amend and supplement its findings of fact and conclusions of law contained in its opinion, dated 1 June 1976, to set forth the evidence in support of its findings, and to amend the judgment heretofore filed to reflect said amendments and supplements, and

(4) pursuant to Rule 59(e) of the Federal Rules of Civil Procedure to alter or amend the judgment entered in this action on or about 23 July 1976, insofar as said judgment does not adjudge Harold W. Coldwell to be entitled to dismissal of the claims of the several plaintiffs against him, and

(5) for such other and further relief as the Court may deem just in the premises.

Dated: New York, New York
27 July 1976

SYMMERS, FISH & WARNER

By: William Warner

A Member of the Firm,
Attorneys for Defendant,
Harold W. Coldwell,
Office and Post Office Address,
345 Park Avenue,
New York, New York 10022.

Notice of Motion.

TO:

Wilbur E. Dow, Jr., Esq.,
Attorney for Plaintiffs,
80 Broad Street,
New York, New York 10004.

W. Shelby Coates, Jr., Esq.,
Attorney for Plaintiffs in 65 Ad. 1008,
61 Broadway,
New York, New York 10006.

Joseph D. Tarlowe, Esq.,
Attorney for Plaintiff in 66 Ad. 277,
11 Broadway,
New York, New York 10004.

Affidavit of William Warner in Support of Defendant's Motion.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

INEZ H. LENFEST and MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK, As Executors of the Estate of Harold C. Lenfest, and KENNETH F. YARRINGTON,

Plaintiffs,

-against- 65 Ad. 1008 R.L.C.

HAROLD W. COLDWELL,

Defendant.

FERRO-BET CORPORATION OF AMERICA, 66 Ad. 277 R.L.C.

Plaintiff,

-against- AFFIDAVIT

HAROLD W. COLDWELL,

Defendant.

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS.:

WILLIAM WARNER, being duly sworn, deposes and says:

He is a member of the firm of Symmers, Fish & Warner, attorneys for Harold W. Coldwell, defendant herein and is familiar with all the pleadings and proceedings heretofore had herein, and makes this affidavit in support of defendant's motion:

(1) For a New Trial

(2) To Amend or Alter Judgment

(3) To Amend and Supplement Findings of Fact and Conclusions of Law

This affidavit is based upon the pleadings, proceedings and the evidence received in these causes.

This application is directed to the provisions of the Court's opinion dated 1 June 1976 which hold (1) that the PANOCEAN became a constructive total

loss under the anticipated profits policy and (2) that plaintiffs "are entitled to recover $150,000 provided for in the insurance policy" with interest.

I.

THE ITEM OF $9,631.91 FOR CREW WAGES AND PROVISIONS DURING REPAIRS AT BALTIMORE SHOULD NOT BE INCLUDED IN COST OF REPAIRS FOR ASCERTAINMENT OF WHETHER THERE WAS A CONSTRUCTIVE TOTAL LOSS.

(A) In its opinion the Court of Appeals declared (525 F.2d at page 722, footnote 11):

> Not all items allowable in general average are allowable in determination of constructive total loss.

Plaintiffs' insurance coverage under the anticipated profits policy was expressly keyed to total loss, actual or constructive, of the vessel with constructive total loss being conditioned upon proof of costs of recovery and repairs to the vessel being in excess of $240,000 (Court of Appeals opinion, pages 720, 721). As to the determination of constructive total loss generally, the Court of Appeals stated, as shown below, that crew wages and provisions are not allowable as repair items unless the crew actually assisted in or was necessary in making repairs.

(B) The item of $9,631.91 for crew wages and provisions was not "repairs". This was described by the Court of Appeals (opinion, p. 722, fn. 11):

> The key question in determining whether an item is includible in a calculation of a constructive total loss figure is whether or not the act related to the ship's repair ----.

The Court further said at page 725:

> Generally, wages and crew maintenance are not allowable as items unless the crew assisted in or was "necessary in connection with the repair of the vessel." Compania Maritima Astra, S.A. v. Archdale (The ARMAR), supra, at 32; Hall v. Ocean Insurance Co., 38 Mass. (21 Pick.) 472, 480 (1839); Lord, The Hull Policy - Actual and Constructive Total Loss and Abandonment, 41 Tulane L.Rev. 347, 353 (1967). See also THE MEDINA PRINCESS, supra, at 433. On the other hand, where the crew makes repairs or would have assisted in repairs, or where the crew is necessary to guard the vessel or to superintend the repair work, the expenses may properly be considered in determining whether there was a constructive total loss. Compania Maritima Astra, S.A. v. Archdale (The ARMAR), supra; Jeffcott v. Aetna Insurance Co., 40 F. Supp. 404 (S.D.N.Y. 1941), aff'd 129 F.2d 582 (2 Cir.), cert. denied, 317 U.S. 663, 63 S.Ct. 64, 87 L.Ed. 533 (1942).

The rule is the same under both English and American Law. In Goodacre, Marine Insurance Claims, (1974) it is stated at page 227:

> Under English law, wages and provisions of the master, officers and crew during detention in a port whilst repairs are undergone, cannot be considered as part of the cost of these repairs, being a form of consequential loss, and "not part of the thing insured". (Robertson v. Ewer, 1786.) However, under York/Antwerp Rules 1950 they may be recoverable as general average, as will be seen later.
>
> Nevertheless, wages and maintenance can be considered as part of the cost of repairs, where they are reasonably incurred in assisting with those repairs, or where the crew undertake duties for which outside labour would otherwise be required.

Affidavit of William Warner.

In Arnould on Marine Insurance, (15th edition, 1961) it is stated at p. 723 (sec. 767):

> So, the wages and provisions of the crew during a delay for repairs, or detention by an embargo, are not a risk within the policy; though this is so rather because these form part of the ordinary expenses of the voyage; and, perhaps even more clearly, because it is the ship that is the subject-matter of insurance, and it is damage to the ship against which the underwriter on ship promises to indemnify the owner; and this does not necessarily include all damages sustained by the shipowner.

In The MEDINA PRINCESS, [1965] 1 Lloyd's Rep. 361, at page 442, repatriation items were withdrawn and the Court "wholly disallowed" wages, provisions and other items for crew at Djibouti (where the ship was wholly disabled - the items are set forth at page 367). The Court said with respect to the constructive total loss claim:

> I do so for two reasons. First, there is no evidence to justify finding that the crew would have been kept at Djibouti for five months. Secondly, even if the crew were kept at Djibouti for a short time, they would not be doing any work the cost of which would fall upon hull underwriters and their wages would not be chargeable to them. Hull underwriters would never be liable for such wages.

As to crew wages at the proposed final port of repair the Court said, in considering the partial loss claim, at page 523:

> Three other points of law remain and can be briefly dealt with. First the decision in Robinson v. Ewer, (1786) 1 T.R. 182; (1786) 99 E.R. 1111, and de Vaux v. Salvador, (1836) 4 A. & E. 420; (1836) 111 E.R. 845, place insuperable difficulties in the way of the plaintiffs' recovering crew's wages during repairs as part of the cost of repairs. Moreover there is nothing to show that such crew would have done any work the cost of which would have been recoverable from hull underwriters. This part of the claim has been wholly disallowed.

Affidavit of William Warner.

In Compania Maritima Astra, S.A. v. Archdale (The ARMAR), 134 N.Y.S. 2d 20 (S. Ct. 1954) the Court said at page 32:

> Item 18 for wages, etc. of a skeleton crew for 98 days, the estimated time it would take to repair the vessel, should not be allowed as there has been no persuasive showing of the necessity for such crew in connection with the repair of the ship.

In Jeffcott v. Aetna Insurance Co., 40 F. Supp. 404 (S.D.N.Y. 1941), aff'd, 129 F.2d 582 (2 Cir.), cert. denied, 317 U.S. 663 (1942) the Court, at page 409, disallowed the wages of "a vessel's captain" as supervisor of repairs as "he would be an unusual captain who would be qualified to supervise the performance of the contract in this case." In the leading case of Hall v. Ocean Insurance Co., 38 Mass. (21 Pick.) 472 (1839), the Court excluded from "repairs", as not recoverable from hull underwriters, the cost of officers and crew at the intermediate repair port even though retention of the officers and crew was economically advantageous to the owner. The Court said, at page 479:

> But it occurred to the judge at the trial, that the services of the officers and people might be wanted during the time when the repairs should be making, and if they should be discharged and the vessel should be repaired, that it would be difficult, if not impossible, at some times and places, to procure other officers and seamen to prosecute the voyage; and it was under this impression, that the instruction was given, "that a reasonable allowance for portage bill, including wages and provisions of officers and crew for such reasonable time as would be requisite to make the repairs, should be allowed as part of the cost of the repairs; that, therefore, if the jury were of opinion, that the sum estimated by the surveyors, of $217 for wages, and $75 for provisions, was the reasonable amount, and one and a half month the reasonable time, then those sums ought to be put down towards the partial loss of 50 per cent, necessary to justify an abandonment; that if the jury were of opinion, that these sums were too high, they should make such deductions

> as to bring them within the reasonable amount of the portage bill to the time required; that these ought not to go to general average, but should, in the first instance, be adjusted as part of the partial loss; that this allowance should be put down without the deduction of one third new for old; and that if the voyage was ended at Bermuda on the 12th of January, 1836, right or wrong, necessary wages and provisions thereafter for a reasonable time for the repairs, should be charged to partial loss."
>
> It is very clear, that such charges are not to be put to the account of general average; they would not be sustained for the general good, but for the particular benefit of the ship. The voyage was broken up; and it seems to us that the owner of the ship must bear these, as he bears the other expenses incident to the ship. He would have no claim upon the underwriter for those charges. It may be a very prudent thing for the master to pay a mate and seaman for a month or more, for holding themselves in readiness to serve at a minute's warning, under such circumstances; but that expense would be a charge upon the freight. It would cost the owner of the ship just so much more to earn his freight, than it would if he were not subjected to the payment of extra wages of services.
>
> But the services of the officers and seamen might be rendered by them as laborers, in making the repairs; and in such case their labor would be chargeable, just as if other laborers had been employed to make the repairs.

The Item for crew wages, etc. in the sum of $9,613.91 includes crew wages and provisions during detention in the Chesapeake on departure from Baltimore, 2 days, in the sum of $332.73, (separately stated on page 3 of Exhibit 37, former Exhibit 27). The balance of crew wages, overtime, etc. in the sum of $9,281.18, were not related to ship repair. As to costs of repatriation being urged as a prospective economic loss to justify retention of crew, it should be noted that this is one of the principal risks covered by Protection and Indemnity Insurance;

Affidavit of William Warner.

P & I Insurance was introduced to cover those liabilities not covered at all by standard marine insurance policies, Arnould, supra, pages 129, 130; Goodacre, supra, pages 9, 10, 369-371. To the extent that the crew actually participated in repairs this is covered by Item 25, "crew repairs No. 1 hold - H/W $1,072.55" which has been allowed separately and additionally by the Court; otherwise the crew did not participate in repairs. This is made clear by plaintiff Lenfest's letter to Mr. Grundvig of 27 May 1964 (Exhibit 30 A, EV. 500).* Mr. Lenfest declared that he had been on board the ship on 26 May 1964 and

> The distressing condition of the ship is unchanged except for the Underwriters' approved repairs which have been made...
>
> The same crew was evidently on the ship as was there when I saw her in Baltimore on 3 April. They have done nothing whatsoever to improve the ship during this 2 1/2 - month period she has been in the shipyard. The engine room is filthy and the quarters are still in the same condition of uncleanliness as they were 2 1/2 months ago, in spite of the fact that the crew has had nothing to do for over 2 1/2 months. My feeling that the crew has done nothing to repair or improve the ship is confirmed by the Maryland Shipbuilding people, who told me that the crew had done nothing while the ship had been in their yard.

No evidence has been offered to the contrary. Compare the attitude of the crew which refused to work at Marseilles (Exh. D, EV. 518 at 520).

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* Unless otherwise specified, references to pages of the Joint Appendix on appeal are designated "R."; references to the two Joint Exhibit Volumes on appeal are designated "EV."; references to the transcript on remand are designated "Tr."

The Item for crew wages, etc. in the sum of $9,613.91 should be disapproved except to the extent of allowance of crew wages and provisions in the amount of $332.73 during detention and repairs in the Chesapeake immediately after departure from Baltimore.

II.

THE CLAIMS FOR COSTS OF DEVIATIONS TO THE AZORES AND BERMUDA SHOULD NOT BE INCLUDED IN COSTS OF RECOVERY AND REPAIR AT BALTIMORE FOR ASCERTAINMENT OF WHETHER THERE WAS A CONSTRUCTIVE TOTAL LOSS AT THAT PORT.

At page 726 of its opinion, the Court of Appeals stated: "On remand the district court will also make findings on the other expenses at Baltimore, and on the Azores and Bermuda expenses."

It is uncontroverted that the PANOCEAN called at the Azores and Bermuda solely for the reason that she ran short of fuel and water and solely for the purpose of replenishing these supplies. These were the incidents which necessitated the diversions and the only such incidents. (Tr. 21, 23; see also log extracts, Exhibits 4 and 15, EV. 147, 174, 240, 245, 367, 368, 370, 371, 373 and 374). (Plaintiffs expand this to include "and for the safety of crew, vessel and cargo." A vessel which runs short of fuel at sea is obviously in a position of peril). The vessel did not call by reason of any damage to hull and machinery and any inference that the vessel put into the Azores and Bermuda as "ports of refuge" by reason of any hull damages is not correct. The fact that leakage in the port boiler was discovered after arrival at Bermuda and was promptly repaired by the crew during refueling at Bermuda does not affect the reason and the purpose of the call (EV. 186,

368, 374, 487). Necessity for replenishment of supplies was the sole reason for putting in. This did not relate to "repairs". No surveys of damage were proposed or made, no specifications for repairs drawn up, no outside assistance for repairs was requested and no report of damage, other than of fuel shortage, was made.

There is room for doubt whether bunkers were pumped overboard or into the bilges in the substantial amounts claimed (the transfer of tarlike bunker C fuel in winter, North Atlantic to settling tanks requires heating; it is not an insignificant operation). In view of past experiences, it is just as probable that the claim of negligent pumping overboard was put forward as a justification for the poor performance of the ship. The charter party (Exh. 5) represented the vessel as "capable of steaming, fully laden under good conditions about 10 knots on a consumption of about 20 tons of best grade Bunker C fuel oil." She never so performed. (Grundvig letter of 18 March, 1964 to Owner; Exh. D, Joint Exh. Vol. 2, p. 518). Under best of trim, most favorable weather conditions, not fully loaded, she made at best only 8.4 knots. Consumption of supplies was so excessive as to be "unbelievable". She ran short of fuel en route New Orleans to Marseilles, although bunkered in accord with charter party requirements and had to put in to Gibraltar to refuel (EV. 26, 32, 33, 204, 223, 478, 479). She was maintained in a filthy and deplorable state (EV. 467, 468, 500). She ran out of bunkers completely en route London - Immingham, was "blacked out" and had to arrive in port using diesel oil (EV. 61, 62, 68, 69, 142, 162, 168, 195, 196, 235).

If, being bunkered according to charter party requirements, she did not have the necessary reserve for the expectable North Atlantic conditions, she was

unseaworthy, The WAALHAVEN 36 F.2d 706 (2 Cir. 1929), the consequences of which are not for Underwriters' account. Arnould, supra §§758, 761; Marine Insurance Act, 1906, sec. 55, and Rule of Construction 7 thereof which reads:

> The term "perils of the seas" refers only to fortuitous accidents or casualties of the seas. It does not include the ordinary action of the winds and waves.

So, too, if having a usual reserve, the vessel ran short of supplies by reason of continued heavy weather, this was not by reason of "fortuitous accidents or casualties of the seas", but rather an ordinary incident and expense of the voyage for the ship, and not an insured risk within the hull policy, Arnould, supra, Chapter 22, pp. 713 et seq. sec. 767; Chapter 23, pp. 755 et seq., citing at p. 756 The Xantho, [1887] 12 App. Cas. 503 at p. 509 (House of Lords) where Lord Herschell said:

> I think it clear that the term "perils of the sea" does not cover every accident or casualty which may happen to the subject-matter of the insurance on the sea. It must be a peril "of" the sea. Again, it is well settled that it is not every loss or damage of which the sea is the immediate cause that is covered by these words. They do not protect, for example, against that natural and inevitable action of the winds and waves, which results in what may be described as wear and tear. There must be some casualty, something which could not be foreseen as one of the necessary incidents of the adventure. The purpose of the policy is to secure an indemnity against accidents which may happen, not against events which must happen.

Delay is specifically excluded by the Marine Insurance Act, 1906, sec. 55 (2) (b). No case has been found supporting a claim for fuel consumed, or other expenses consequent upon delay in prosecution of the voyage, from heavy weather.

Affidavit of William Warner.

If, nevertheless, it be assumed that the deviations to the Azores and Bermuda resulted from negligent pumping of fuel and water overboard and into the bilges as claimed by plaintiffs and noted in the log abstracts, the deviations come within the rule stated by the Court of Appeals that independent casualties incurred after the ship has been repaired may not be added to repairs already done. As shown above the "casualties" which were "repaired" at the Azores and Bermuda (replenishment of supplies) had nothing whatsoever to do with repairs of damage to hull and machinery. The damage from the lock wall at London was taken into account at Baltimore solely because repairs had not been made prior to arrival at Baltimore. Here the casualty concerned was with the allegedly negligent loss of supplies and "repairs" and "recovery" were made and complete at the Azores and Bermuda respectively. Nor can the deviations be considered as "recovery" in proceeding under her own power to Baltimore. There was no towage, salvage or superintendence. The situation is the same as the entire voyage to Baltimore which was proceeding in ordinary course for the accomplishment of the business purposes of the voyage. Certainly proceeding to Baltimore enabled repairs to be accomplished there but no one has suggested that the expenses of proceeding on the voyage throughout should be considered as "recovery".

The case is on all fours with The Medina Princess, [1965] 1 Lloyd's List L.R. 361 where the vessel had sailed from Rotterdam to China with a cargo of flour, with refueling scheduled for Djibouti. In the English Channel some 80 tons of boiler water were lost through crew negligence. There was subsequent similar loss in the Mediterranean. During the voyage the boilers and engines were damaged by this and other acts of negligence. En route to Djibouti the vessel put in to Malta,

Port Said and Port Sudan for further supplies of bunkers and water and proceeded under her own power to Djibouti. Shipowner's minutely detailed claim for constructive total loss at Djibouti, where the ship arrived in damaged condition, contained no claim for this loss of bunkers and water or deviation expense.

The Azores and Bermuda claims should be disallowed as not constituting constructive total losses of themselves or as forming a part of a subsequent claim for constructive total loss.

III.

MARKOGIANNIS "SURVEY FEE" OF $8,207.10 SHOULD BE DISALLOWED. ONLY THE FEES OF BUREAU VERITAS FOR $3,285 ARE ALLOWABLE FOR SUPERINTENDENCE AND AS SURVEY FEE.

The Court of Appeals (opinion, p. 724) has suggested that the position of the charterer is relatively helpless and "that we interpret with some liberality the costs allowable in the determination of whether there was a constructive total loss." By this, as indicated by its subsequent discussion of hearsay evidence, the Court did not suggest that there should be a deviation from the general maritime insurance law as to the nature of risks covered or the law pertaining thereto but rather the Court was concerned with the proof of figures by means of business records. In this particular case, the position of the charterer was by no means helpless. The plaintiffs and their advisers were experienced ship operators (R. 19, 20, 52, 137, 144; Tr. 46). The purchase of the vessel was a quasi joint venture (R. 53, 54), as Grundvig (Ferro-Bet) had the vessel surveyed before purchase (R. 53; Exh. C, EV. 516) and at Baltimore (R. 42), arranged a sub-charter (R. 26) and then financed the purchase of the vessel through assignment of time charter hire (R. 54), sub-charter freights (R. 26; Exh. D, EV. 518) and additional advances

of his own and other plaintiffs (R. 42, 132; Exh. D); Markogiannis was to operate the vessel with Ferro-Bet attending to business details (R. 21, 22). Grundvig maintained close watch over the actual operations (R. 26, 58, 69). There was also an extended arbitration proceeding commencing while the vessel was still at Ba[illegible]ore (R. 45, 64, 146) (no records of this were produced or accounted for). All necessary information was readily available to plaintiffs. For many years both the Salvage Association (London) and Bureau Veritas have maintained offices at New York. All the Salvage Association records have been produced but plaintiffs have made no effort to obtain any records or testimony from Bureau Veritas.

Markogiannis signed a survey as owner's surveyor under the name of "Michael G. Markogiannis, Inc. Marine Surveyor & Consulting Engineer" (Exh. 21). This was a sham; the survey was not that of an independent surveyor but rather that of the owner himself. For a survey (compare the fees of the Bureau Veritas) the fee was clearly exorbitant. It was not for the wages or hire of a superintendent entrusted with this particular work; it was simply and plainly an additional sum sought to be recovered from underwriters for owner's ordinary work. No specifications whatever have been given for the work. There was no proof of the cost of supervision. The fee was equally exorbitant if characterized as supervision. The Markogiannis fee should be disallowed.

The Bureau Veritas item (5 accounts) $3,285.00, is claimed as classification fees. It should be noted that one of these 5 accounts in the sum of $635.00 is for supervisory services rendered in the Chesapeake when the steering gear system failed shortly after departure Baltimore (see Bureau Veritas voucher No. SS-5581 included in Exhibit 33). The remaining Bureau Veritas accounts may not be

allowed as classification fees. This ship was classified with Lloyd's Registry of Shipping, not with Bureau Veritas (see Bureau Veritas survey report dated February 16, 1963, Joint Exhibit Volume No. 2, Exhibit C, page 515, which so states). In the Register Book 1964-65, volume 1, of Lloyd's Register of Shipping, the PANOCEAN is listed as so classified with the classification of (Maltese Cross) 100 A1. There is no evidence whatsoever that the vessel was ever entered for classification with the Bureau Veritas (see, Joint Exh. Volumes p. 504). No Bureau Veritas records to this effect have either been produced or accounted for. No Bureau Veritas certificate of classification or of seaworthiness has been produced. If the Bureau Veritas surveys were for classification purposes, the Bureau Veritas vouchers (Exhibit 33) would most certainly so state. There is no reference to classification in them. On the contrary, each voucher specifies the services rendered as to "examine and report...and to recommend, supervise and report on repair(s)" (emphasis added). Furthermore, classification surveys may not be included for purposes of computation of a constructive total loss. Chicago S.S. Lines v. United States Lloyds, 2 F.2d 767, 770 (N.D. Ill. 1924); affirmed, 12 F.2d 733 (7th Cir. 1926); Jeffcott v. Aetna Ins. Co. 40 F. Supp. 404, 409 (S.D.N.Y. 1941) (where only one survey fee was allowed); affirmed, 129 F.2d 582 (2d Cir. 1942); cert. denied, 317 U.S. 663. The leading case as to allowance of survey fees is Agenoria Steamship Company v. Merchants' Marine Insurance Company, 8 Com. Cas. 212 (1903). There is no reference in that case to classification fees. The sole question was as to whether the cost of the sending of a surveyor from Liverpool to Australia to superintend repairs was excessive. It was so held.

Affidavit of William Warner.

The Bureau Veritas fees (5 accounts) of $3,285.00 should be allowed as survey fee and for supervision of repairs only.

IV.

ROUTINE MAINTENANCE ITEMS SHOULD BE DISALLOWED.

Claim has been made for certain items as casualty repairs, but which have not been submitted to or approved as such by Underwriters' surveyors, as follows.

Neptune machine replacement engine parts	1,043.00
Neptune machine labor	525.00
T. Carroll, C. Corros - Labor on engine	464.50
G. Karaisaridis - Labor	301.00
Sub Total	2,333.50

None of these items was mentioned in any Salvage Association Report or approved by the Salvage Association. All other items which have been approved have been supported by the Salvage Association Reports, by invoices of the Maryland Ship-building and Drydock Company and others which have been referred to and approved by the Salvage Association. Vouchers as so approved have been stamped (see Defendants Exhibit AA, and see letter of Great Eastern to Salvage Association dated 7 December 1964, Exh. 11, EV. 253). The items referred to in this paragraph were included in a letter written by Mr. Wood to the owner's agents on 5 January 1965 (Exh. 11, EV. 258). In his letter Mr. Wood said:

> "Please have Owners' surveyor advise why these damages were not brought to Underwriters' surveyor's attention for incorporation in his report, also have him indicate the log entries which record or make reference to these damages, since, if we are to obtain reimbursement for same, we must give Underwriters an adequate explanation as to why these damages are properly claimable."

This was in accordance with Rule VII, Approval of Repair Accounts, Rules of Practice of Association of Average Adjusters of The United States. See, Buglass, Marine Insurance and General Average in the United States (1973) p. 354.

> All repair accounts shall be examined, when practicable, by the owners' surveyor and a surveyor for underwriters before the statement is issued.
>
> The Adjuster shall insert a note in the average statement that this has been done and the result of same.

The requirement that these particular accounts be examined by a surveyor for underwriters and note inserted in the average statement that this had been done was not complied with. The answer of Owners' agents on 30 January 1965 (Exh. 11 EV. 271) merely makes reference to "Shipowners survey report", the Markogiannis "survey" (Exh. 21) which in no way answers the questions raised. In the record before the Court no adequate explanation has been given for these items. There is nothing in the record to indicate that these items were not for ordinary maintenance and the description of the items would seem to indicate such maintenance. In view of the regular course of proceedings followed with respect to all other claimed items, these particular items must be regarded as unproved. They are comparable to the unsubstantiated and unexplained item of $11,097.96 for port disbursements which has been disallowed by the Court. They should not be allowed.

Harold W. Coldwell should be granted a new trial on the issues of (1) the right of plaintiffs to recover $150,000 with interest from defendant Harold W. Coldwell and (2) the determination of whether there was a constructive total loss of the vessel PANOCEAN under the anticipated profits policy Alternatively, the Court's

Affidavit of William Warner.

opinion should be amended and altered insofar as said judgment does not adjudge defendant Harold W. Coldwell to be entitled to a dismissal of the claims of the plaintiffs against him. Alternatively, the Court's Findings of Fact and Conclusions of Law should be amended and supplemented to set forth the evidence in support of its findings of fact and conclusions of law; and for such other and further relief as the Court may deem just in the premises.

William Warner

Sworn to before me this
27th day of July 1976

MARY E. CULHANE, Notary Public
State of New York, No. 60-0818110
Qualified in Westchester County
[illegible] York County
[illegible]ch 30, 1977

Defendant's Memorandum in Support of Motion
Pursuant to Rules 52 and 59.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

INEZ H. LENFEST and MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK, As Executors of the Estate of Harold C. Lenfest, and KENNETH F. YARRINGTON,

Plaintiffs,

-against-

65 Ad. 1008 R.L.C.

HAROLD W. COLDWELL,

Defendant.

FERRO-BET CORPORATION OF AMERICA,

Plaintiff,

-against-

66 Ad. 277 R.L.C.

HAROLD W. COLDWELL,

Defendant.

MEMORANDUM IN SUPPORT OF DEFENDANT'S MOTIONS PURSUANT TO RULES 52 AND 59.

Defendant has moved pursuant to Rules 59 and 52:

(1) For a New Trial

(2) To Amend or Alter Judgment

(3) To Amend and Supplement Findings of Fact and Conclusions of Law

Rule 59 provides in part: NEW TRIALS; AMENDMENT OF JUDGMENTS

(a) Grounds. A new trial may be granted to all or any of the parties and on all or part of the

issues (1) in an action in which there has been a trial by jury, for any of the reasons for which new trials have heretofore been granted in actions at law in the courts of the United States; and (2) in an action tried without a jury, for any of the reasons for which rehearings have heretofore been granted in suits in equity in the courts of the United States. On a motion for a new trial in an action tried without a jury, the court may open the judgment if one has been entered, take additional testimony, amend findings of fact and conclusions of law or make new findings and conclusions, and direct the entry of a new judgment.

(b) Time for Motion. A motion for a new trial shall be served not later than 10 days after the entry of the judgment.

(e) Motion to Alter or Amend a Judgment. A motion to alter or amend the judgment shall be served not later than 10 days after entry of the judgment.

Rule 52 provides in part: FINDINGS BY THE COURT

(a) Effect. In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, and judgment shall be entered pursuant to Rule 58; .....
If an opinion or memorandum of decision is filed, it will be sufficient if the findings of fact and conclusions of law appear therein....

(b) Amendment. Upon motion of a party made not later than 10 days after entry of judgment the court may amend its findings or make additional findings and may amend the judgment accordingly. The motion may be made with a motion for a new trial pursuant to Rule 59...

Defendant's Memorandum.

The motion is based upon the pleadings, proceedings and the evidence received in these causes and the supporting affidavit of William Warner.

Specifically, movant seeks review and amendment of the following matters which were allowed by the Court in its test for a constructive total loss:

1. The Item of $9,631.91 For Crew Wages And Provisions During Repairs At Baltimore Should Not Be Included In Cost of Repairs For Ascertainment Of Whether There Was A Constructive Total Loss.

2. The Claims For Costs Of Deviations To The Azores And Bermuda Should Not Be Included In Costs Of Recovery And Repair At Baltimore For Ascertainment Of Whether There Was A Constructive Total Loss At That Port.

3. Markogiannis "Survey Fee" Of $8,207.10 Should Be Disallowed. Only The Fees Of Bureau Veritas For $3,285 Are Allowable For Superintendence And As Survey Fee.

4. Routine Maintenance Items Should Be Disallowed.

The evidence relating to each of these items is set forth in detail in the Warner affidavit submitted herewith; the controlling authorities are also set forth and discussed therein.

Reduction of any of these items singly or in combination in a total amount in excess of $6,443.19 should result in a finding that there was no constructive total loss.

Defendant's Memorandum.

The findings of fact and conclusions of law should be amended as set forth herein and the claims of the plaintiffs against defendant dismissed.

Dated: New York, New York
27 July 1976

Respectfully submitted,

SYMMERS, FISH & WARNER

Attorneys for Defendant
Harold W. Coldwell

Defendant's Reply Memorandum to Plaintiffs' Memorandum Opposing Defendant's Motion Pursuant to Rule 52 and 59.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

INEZ H. LENFEST and MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK, As Executors of the Estate of Harold C. Lenfest, and KENNETH F. YARRINGTON,

Plaintiffs,

-against- 65 Ad. 1008 R.L.C.

HAROLD W. COLDWELL,

Defendant.

FERRO-BET CORPORATION OF AMERICA,

Plaintiff,

-against- 66 Ad. 277 R.L.C.

HAROLD W. COLDWELL,

Defendant.

DEFENDANT'S REPLY MEMORANDUM TO PLAINTIFFS' MEMORANDUM OPPOSING DEFENDANT'S MOTION PURSUANT TO RULES 52 AND 59

Plaintiffs' reply relies on inapplicable or erroneously stated propositions of law including those relating to burden of proof and to general average, confusing plaintiffs' policy on anticipated profits with owner's policy on hull and machinery.

The burden of proof is upon plaintiffs to establish the several items which they maintain are sufficient to constitute a constructive total loss. (The ARMAR) Compania Maritima Astra, S.A. v. Archdale, 134 N.Y.S. 2d 20 (S. Ct. 1954). The burden does not shift.

Defendant's Reply Memorandum.

Plaintiffs maintain that where English cases differ from those in the United States, the latter should be followed. They point out, however, no inconsistency in the cases that have been cited by the parties.

As to the policies of owner and the plaintiffs, the terms thereof are not interchangeable. Plaintiffs' policy, as noted by the Court of Appeals, is on anticipated profits; the owner's was on hull and machinery. There is no coverage of general average lossses in plaintiffs' policy, no sue and labor clause, no collision clause, etc. Plaintiffs' policy is solely upon loss of profits (in a valued amount) conditioned upon proof of total loss of the vessel, actual or constructive. As stated by this Court no question of compromised or arranged total loss arises as no total loss was ever claimed by owner (and of course no such claim by plaintiffs was ever compromised or "arranged"). The sole reference in plaintiffs' policy to that of owner is that to constitute a constructive loss based upon recovery and/or repair such cost must exceed the insured value in owner's policy on hull and machinery. The subject of general average is irrelevant. The sole question is as to proof of claimed losses as items of recovery (salvage, towage, pilotage, etc.) or as repairs.

I.

Wages Of Crew At Baltimore

That crew wages may be taken into account in general average is, as stated above, irrelevant. The Court of Appeals has stated the general rule, 525 F.2d at 725:

Defendant's Reply Memorandum.

> Generally, wages and crew maintenance are not allowable as [repair] items unless the crew assisted in or was "necessary in connection with the repair of the vessel."

To the extent that the crew assisted in repairs, claim for cost thereof has been allowed. There has been no evidence of any additional involvement. In fact, the evidence is that there was none. The Court of Appeals specifically limited an allowance for maintenance and wages to proof that the crew assisted in or was necessary in connection with repairs, 525 F.2d 717 at 725. Plaintiffs argue that the crew was "necessary" because it would be an economic burden to replace them. This argument was discussed at length in Hall v. Ocean Insurance Co., 38 Mass. (21 Pick.) 472 (1839) and was expressly rejected, as it was in both The ARMAR, supra, 134 N.Y.S. 2d at 32 and The MEDINA PRINCESS, [1965] Lloyd's List L.R. 361, at 367, "Hull underwriters would never be liable for such wages", and also at page 523. In view of the complete custody and control by the shipyard, no separate watchman service was required. There was no proof of the necessity or cost thereof in this case.

II.

The "Disbursements" Item Of $11,097.96

This item properly has been disallowed by the Court on the grounds that there was no explanation of the item or proof that it was connected with the repairs. It was questioned by plaintiffs' expert Bowser (transcript on rehearing, pages 55, 66).

Defendant's Reply Memorandum.

III.

Miscellaneous Maintenance And Repair Items

Four items for engine parts and labor aggregating $2,333.50 have been discussed at length in Point IV, pages 13 and 14, of defendant's moving affidavit. These items were typical customary and routine maintenance items. The engine was thoroughly examined by the several surveyors as indicated by the Salvage Association London survey report, plaintiff's exhibit 15, Exhibit Volume II, pp. 365-391 at 385, 386 and repairs recommended (and accomplished by the shipyard). If the items in question were casualty repairs they would have been called to the attention of the surveyors and repairs accomplished by the shipyard under a supplementary item. Neither this procedure nor the examination, review and approval accorded all other items was followed. Routine maintenance and repair items are not casualty repairs. The items should be disallowed.

IV.

Allowance For Contingencies

This matter, although raised for the first time by plaintiffs on remand, was considered by the Court of Appeals, 525 F.2d at 725, which noted that such allowance has been made in cases where the ships had actually been abandoned and that no actual repairs were contemplated or made, the figures being largely estimates for insurance purposes whereas in this case the claimed expenses were in large part actually incurred by the shipowner. The repairs were made upon firm contract without any material

supplement or addition. After full examination by the shipyard which made the actual repairs and apparently at the time of the original repair contract the same shipyard submitted a firm offer for the port boiler repairs. There is no reason to assume these repairs would not have been complete and adequate and there is no reason or basis for a contingency allowance as to that boiler which remained unrepaired. The Court of Appeals accordingly made no suggestion or recommendation that further allowance be made. There has been no further testimony on the point. This Court accordingly properly made no further allowance.

V.

The items for calls at the Azores and Bermuda and the items for surveyors' fees have been discussed at length in defendant's moving affidavit.

Dated: New York, New York
24 August 1976

Respectfully submitted,

SYMMERS, FISH & WARNER

Attorneys for defendant,
Harold W. Coldwell

Memorandum Endorsed on Motion Filed July 28, 1976.

Memorandum endorsed on motion filed 7-28-76

10/26/76

Motion Denied.

So ordered.

s/ Robert L. Carter
USDJ

U.S. District Court
Filed
Oct 27 1976
S.D. of N.Y.

Defendant's Notice of Appeal Filed November 19, 1976.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

INEZ H. LENFEST and MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK, As Executors of the Estate of Harold C. Lenfest, and Kenneth F. Yarrington,

Plaintiffs,

-against-

HAROLD W. COLDWELL,

Defendant.

65 Ad. 1008 R.L.C.

NOTICE OF APPEAL

FERRO-BET CORPORATION OF AMERICA,

Plaintiff,

-against-

HAROLD W. COLDWELL,

Defendant.

66 Ad. 277 R.L.C.

Notice is hereby given that defendant, HAROLD W. COLDWELL, hereby appeals to the United States Court of Appeals for the Second Circuit from the final judgment entered in this consolidated action on or about 26 July 1976, and from the order of the Hon. Robert L. Carter dated 26 October 1976 and filed 27 October 1976 which order denied the motions of defendant Harold W. Coldwell for an order (1) to set aside findings of fact and conclusions of law and judgment, and grant a new trial,

Defendant's Notice of Appeal.

(2) to amend and supplement findings of fact and conclusions of law and to amend the judgment, and (3) to alter or amend the judgment.

Dated: New York, N. Y.
19 November 1976

SYMMERS, FISH & WARNER

BY: _____
A Member of the Firm
Attorneys for Defendant
Harold W. Coldwell
Office and Post Office Address
345 Park Avenue
New York, New York 10022

TO:

Clerk
United States District Court
Southern District of New York

Wilbur E. Dow, Jr., Esq.
80 Broad Street
New York, New York 10004
and
W. Shelby Coates, Jr., Esq.
61 Broadway
New York, New York 10006
Attorneys for Plaintiffs in 65 Ad. 1008

Joseph D. Tarlowe, Esq.
11 Broadway
New York, New York 10004
Attorney for Plaintiff in 66 Ad. 277

Plaintiff's Exhibit 1, Lloyd's Policy.

In all communications please quote the following reference	
545	L.83085

LLOYD'S LONDON

16th MARCH, 1964.

"PANOCRAN" S.S. ex. "SEA STAR"

DUPLICATE

12 MONTHS @ Noon 29.10.63.
EASTERN STANDARD TIME.

80.769% of U.S. $150,000

U. S. Documentary Tax Stamps required by Revenue Act of 1942 affixed in Stamp Register of DESPARD & CO., Inc., 89 Maiden Lane, New York, N. Y.

DESPARD & CO., INC.
APPLICATION No. 57566
ENTERED EXP BK. V
EXAMINED BY JFC
89 MAIDEN LANE, NEW YORK

(In the event of accident whereby loss or damage may result in a claim under this Policy, the settlement will be much facilitated if immediate notice be given to the nearest Lloyd's Agent.)

Plaintiff's Exhibit 1.

In the event of Loss or Claim it is hereby agreed that the annexed policy for £ 80.769/- per "Transocean" or "Sea Star" shall be deemed sufficient proof of interest.
This insurance is without benefit of salvage.
FULL INTEREST ADMITTED.

Plaintiff's Exhibit 1.

INSTITUTE

MARINE

Subject to clauses as attached including Standard Total Loss Clauses with lines 19 to 30 inclusive deleted.

WAR

This insurance is also to cover War, Strikes etc., risks as per the attached clauses, but covering Total and/or Constructive and/or Arranged and/or Compromised Total Loss of vessel only.

Trading World Wide exoluding China Ports south of Shanghai east of Hong Kong, North Korea, Klath and to or from Israel, via Suez Canal, also excluding to or from Cuba or held covered at a premium to be arranged.

Plaintiff's Exhibit 1.

22.7.59

INSTITUTE T.L.O. CLAUSE ~~(DISBURSEMENTS)~~

1. This [illegible] covers only

Total Loss (Actual or Constructive) of the Vessel

(including total loss directly caused by :—

Accidents in loading discharging or shifting cargo or fuel
Explosions on shipboard or elsewhere
Breakdown of or accident to nuclear installations or reactors on shipboard or elsewhere
Breaking of boilers breakage of shafts or any latent defect in the machinery or hull
Contact with aircraft
Negligence of Master Officers Crew or Pilots

(provided such loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers.

Masters Officers Crew or Pilots not to be considered as part Owners within the meaning of this clause should they hold shares in the Vessel.) :—

In ascertaining whether the Vessel is a constructive total loss the insured value in the policies on hull and machinery shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.

No claim for constructive total loss based upon the cost of recovery and or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value in the policies on hull and machinery.

~~Should the Vessel be a constructive total loss but the claim on the policies on hull and machinery be settled~~ as a claim for partial loss, no payment shall be due under this insurance.

Provided that the Valuation Clause, lines 14/18 above, or a clause having a similar effect, is contained in the policies on hull and machinery, the settlement of a claim for constructive total loss thereunder shall be accepted as proof of the constructive total loss of the Vessel and in the event of a claim for total loss or constructive total loss being settled on the policies on hull and machinery as a compromised total loss the amount payable hereunder shall be the same percentage of the sum insured as is paid on the said policies.

2. The Vessel is covered subject to the provisions of this Policy at all times and has leave to sail or navigate with or without pilots, to go or stay [illegible] and to assist and tow vessels or craft in distress, but it is warranted that the Vessel shall not be towed except as is customary or when in need of assistance, or undertake towage or salvage services under a [illegible] previously arranged by Owners and or Managers and or Charterers. This clause shall not exclude [illegible] towage or salvage [illegible] that the risk.

3. Held covered in case of any breach of warranty as to cargo, trade, locality, towage, salvage services or date of sailing, provided notice be given immediately after receipt of advices and any additional premium required be agreed.

4. Should the Vessel at the expiration of this Policy be at sea or in distress or at a port of refuge or of call, she shall, if not [illegible] previous notice be given to the Underwriters, be held covered at a *pro rata* monthly premium to her port of destination.

5. If the Vessel is sold or transferred to new management then unless the Underwriters agree in writing to continue the insurance this Policy shall become cancelled from the time of sale or transfer, unless the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast, in either of which cases such cancellation shall, if required, be suspended until arrival at final port of discharge if with cargo, or at port of destination if in ballast. A *pro rata* daily return of premium shall be made.

This clause shall prevail notwithstanding any provision whether written, typed or printed in the Policy inconsistent therewith.

6. ~~Warranted free of capture, seizure, arrest, restraint or detainment, and the consequences thereof or of any attempt~~ thereat ; also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not ; but this warranty shall not exclude collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the Vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power ; and for the purpose of this warranty " power " includes any authority maintaining naval, military or air forces in association with a power.

~~Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising [illegible]~~

7. TO RETURN:

~~—~~ per cent. net for each uncommenced month if this Policy be cancelled by agreement

and as follows for each period of 30 consecutive days the Vessel may be laid up in port (with special hire as hereinafter allowed) : —

(a) per cent. net not under repair and with no cargo on board. } and arrival.

(b) per cent. net not under repair and with cargo on board. } and arrival.

(c) per cent. net under repair and with no cargo on board. } and arrival.

(d) per cent. net under repair and with cargo on board. } and arrival.

The returns (*b*) to (*d*) inclusive shall be applied notwithstanding that the Vessel has cargo on board and or is under repair during a part only of the period of 30 days for which a return is claimable.

Provided always :

(i) that in no case shall a return be allowed when the within named Vessel is lying in a roadstead or in exposed or unprotected waters.

(ii) that in the event of a return for special trade or any other reason being recoverable, the above rates of return of premium shall be reduced accordingly.

The return for a laid up period of 30 consecutive days which falls on two policies, effected for the same Assured, shall be apportioned over both policies and this Policy shall pay such proportion thereof as the number of days attaching hereto bears to thirty. Such overlapping period shall run, at the option of the Assured, either from the first day on which the Vessel is laid up or the first day of a period of 30 consecutive days as provided under (*a*) or (*b*) or (*c*) or (*d*) above.

8. It is agreed that no assignment of or interest in this Policy or in any moneys which may be or become payable thereunder is to be binding on or recognised by the Underwriters unless a dated notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on this Policy and the Policy with such endorsement is produced before payment of any claim or return of premium thereunder ; but nothing in this clause is to have effect as an agreement by the Underwriters to a sale or transfer to new management.

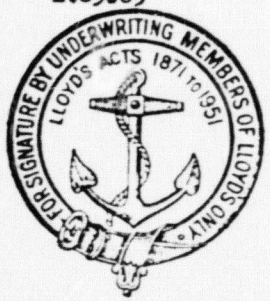
CL. 176 Sold by Witherby & Co. Ltd., London, E.C.1.

PRINTED IN ENGLAND

'a r

No Policy or other Contract dated on or after 1st Jan. 1924 will be recognised by the Committee of Lloyd's as entitling the holder to the benefit of the Funds and/or Guarantees lodged by the Underwriters of the Policy or Contract as security for their liabilities unless it bears at foot the Seal of Lloyd's Policy Signing Office.

(No. L.83085)



Any person not an Underwriting Member of Lloyd's subscribing this Policy, or any person uttering the same if so subscribed, will be liable to be proceeded against under Lloyd's Acts.

S.G.

80.76% of
U.S. $150,000

Issued at Lloyd's, London, England.

We it known that PERRO-BAT CORP. OF AMERICA AND KENNETH YARRINGTON AND H.C. LANFEST.
Loss if any, payable to Assureds, as their respective interests may appear or order.

as well in their own Name, as for and in the Name and Names of all and every other Person or Persons to whom the same doth, may, or shall appertain, in part or in all, doth make Assurance, and cause themselves and them and every of them, to be insured, lost or not lost, at and from

For and during the space of TWELVE CALENDAR MONTHS commencing Noon 29th OCTOBER 1963 and ending Noon 29th OCTOBER 1964, EASTERN STANDARD TIME.

upon any kind of Goods and Merchandises, and also the Body, Tackle, Apparel, Ordnance, Munition, Artillery, Boat and other Furniture, of and in the good Ship or Vessel called the

"PANOCEAN" S.S. (ex. "SEA STAR")

whereof is Master, under God, for this present Voyage,
or whosoever else shall go for Master in the said Ship, or by whatsoever other Name or Names the same Ship, or the Master thereof, is or shall be named or called, beginning the Adventure upon the said Goods and Merchandises from the loading thereof aboard the said Ship *as above*
upon the said Ship, &c., *as above* and shall so continue and endure during her Abode there, upon the said Ship, &c.; and further, until the said Ship, with all her Ordnance, Tackle, Apparel, &c., and Goods and Merchandises whatsoever, shall be arrived at *as above*
upon the said Ship, &c., until she hath moored at Anchor ~~Twenty four hours~~ in good Safety, and upon the Goods and Merchandises until the same be there discharged and safely landed; and it shall be lawful for the said Ship, &c., in this Voyage to proceed and sail to and touch and stay at any Ports or Places whatsoever *and wheresoever for all purposes*
without Prejudice to this Insurance. The said Ship, &c., Goods and Merchandises, &c., for so much as concerns the Assured by Agreement between the Assured and Assurers in this Policy, are and shall be valued at

ON;- ANTICIPATED PROFIT
Amount $150,000

Subject to clauses as attached.

To pay the above sum in the event the vessel becomes a Total and/or Constructive and/or Arranged and/or Compromised Total Loss as a result of Marine or War perils.

Plaintiff's Exh. 1 128a

Touching the Adventures and Perils which we the Assurers are contented to bear and do take upon us in this Voyage, they are, of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes and People, of what Nation, Condition, or Quality soever, Barratry of the Master and Mariners, and of all other Perils, Losses and Misfortunes that have or shall come to the Hurt, Detriment or Damage of the said Goods and Merchandises and Ship, &c., or any Part thereof; and in case of any Loss or Misfortune, it shall be lawful to the Assured, their Factors, Servants and Assigns, to sue, labour, and travel for, in and about the Defence, Safeguard and Recovery of the said Goods and Merchandises and Ship, &c., or any part thereof, without prejudice to this Insurance; to the Charges whereof we, the Assurers, will contribute, each one according to the Rate and Quantity of his Sum herein assured. And it is especially declared and agreed that no acts of the Insurer or Insured in recovering, saving, or preserving the property insured, shall be considered as a waiver or acceptance of abandonment. And it is agreed by us, the Insurers, that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore made in Lombard Street, or in the Royal Exchange, or elsewhere in London.

Warranted free of capture, seizure, arrest, restraint or detainment, and the consequences thereof or of any attempt thereat, also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not; but this warranty shall not exclude collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile use of or against a belligerent power; and for the purpose of this warranty "power" includes any authority maintaining naval, military or air forces in association with a power.

Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy.

And so we, the Assurers, are contented, and do hereby promise and bind ourselves, each one for his own Part, our Heirs, Executors, and Goods, to the Assured, their Executors, Administrators, and Assigns, for the true Performance of the Premises, confessing ourselves paid the Consideration due unto us for this Assurance by the Assured at and after the Rate of

ONE DOLLAR, THIRTY CENTS PER CENT

IN WITNESS whereof we, the Assurers, have subscribed our Names and Sums assured in *LONDON*, 16th MARCH, 1964 as hereinafter appears

N.B.—Corn, Fish, Salt, Fruit, Flour, and Seed are warranted free from Average, unless General, or the Ship be stranded; Sugar, Tobacco, Hemp, Flax, Hides, and Skins are warranted free from Average under Five Pounds per Cent.; and all other Goods, also the Ship and Freight are warranted free from Average under Three Pounds per Cent., unless general or the Ship be stranded.

Now know Ye, that We the Assurers, members of the Syndicate(s) whose definitive Number(s) in the attached list are set out in the Table overleaf, or attached overleaf, hereby bind Ourselves, each for his own part and not one for another, and in respect of his due proportion only, to pay or make good to the Assured all such Loss and/or Damage which he or they may sustain by any one or more of the aforesaid perils, and so that the due proportion for which each of Us the Assurers is liable shall be ascertained by reference to his proportion as ascertained according to the said List of the Amount, Percentage or Proportion of the total Sum assured which is in the said Table set opposite the definitive Number of the Syndicate of which such Assurer is a member.

IN WITNESS whereof the Manager of Lloyd's Policy Signing Office has subscribed his Name on behalf of each of Us.

LLOYD'S POLICY SIGNING OFFICE.

MANAGER.

(In the event of accident whereby loss or damage may result in a claim under this Policy, the settlement will be much facilitated if immediate notice be given to the nearest Lloyd's Agent.

Plaintiff's Exh. 1

129a

130a

Plaintiff's Exhibit 2, Cover Page of Institute Policy.

PLAINTIFFS' EXHIBIT 2

8

HULL

In all communications please quote the following reference	
545	L.C3065

The Institute of London Underwriters

Companies Combined Policy.

This Policy is subscribed by Insurance Companies Members of The Institute of London Underwriters, 40, Lime Street, London, E.C.3.

16th MARCH, 1964.

"PANOCEAN" S.S. or. "SEA STAR"

12 MONTHS @ Noon 29.10.63. EASTERN STANDARD TIME.

19.25% of U.S. $150,000

DESPARD & CO. Inc
PPLICATION No 57566
NTERED EXP BK ✓
X-MINED BY SFC
99 MAIDEN LANE, O..

DUPLICATE

PRINTED IN ENGLAND BY WITHERBY & CO., LTD.

Plaintiff's Exhibit 3, Cables.

JAN 3 1 18 PM '64

NNNN

EX56 CC1419

SS PANOCEAN/HOSM CHATHARADIOVIA RCA 16 3 1515GMT=

GRUNDWAVE NYK=

PANOCEAN THIRD 3419 2138 ROUGH NORTHERLY REQUIRED
BUNKERING GIBRALTAR STRAIT ADVISE BUNKERING PORT

MASTER

COL: 3419 2138

MUNICATIONS, INC. RCA COMMUNICATIONS, INC. RCA C

Plaintiff's Exhibit 3.

M — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
. Via Commercial - Via Globe - Via Mackay Radio

THIS IS OUR CABLE NO 4 DEC 24/63

Voy 1

MASTER PANOCEAN

(VESSEL LEFT NEWORLEANS DEC 15 FOR MARSEILLES)

SEASONS GREETING RADIO POSITION SPEED CARGOCHART US
GRUNDWAVE

ACRNY POS 02

GRUNVIG 420373

Plaintiff's Exhibit 3.

OOGACR G17.=3

GRUNVIG 420373

ACR/SVC

" NYK 6

GRUNDWAVE NYK WE HAVF YOUR MESSAGE NO 4/DATED DEC 24TH TO MASTER PANOCEAN II WHICH WE HAVE SERVICED YOU SEVERAL TIMES ADVISING THAT THE VESSEL HAS FAILED TO COMMUNICATE WITH AMAGANSETTRADIO/NY AND GALVESTONRADIO/TEXAS X WE NOW HAVE YOUR NO 1/DATED JAN6TH TO SAME VESSEL GOING VIA STLYSRADIO/FRANCE PLEASE ADVISE IF YOU WHICH TO SEND YOU NO4/DEC 24TH VIA STLYSRADIO ALSO

THANK YOU MKYRDOMARINE BUREAU

CU

GRUNVIG 420373K

TO CALL A MESSENGER: PHONE 797-7522
550 - OTHER MATTERS: PHONE 797-3300

TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PH
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHC

Plaintiff's Exhibit 3.

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM — ITT/AC
Via All America - Via Commercial - Via Globe - Via Mc

O

005ACR G02.37

GRUNVIG 420373

FW2241 (CONFIRMATION INCOMING PHONED 829PM

RADIO PANOCEAN STLYSRADIO 24 4 2205

1/4

GRUNDWAVE NEWYORK

NOON FOURTH 3440 1758 HEAVY SOUTHEAST ETA GIBRALTAR 19.00

SEVENTH STOP ON HAND TOTAL 158 USABLE 115 NECESSARY

BUNKERING ADVISE LOCATION AGENTS

#15.12 gpr
L/t.
Same bottom
Ceuta and
Gibraltar acc.
Senate 1/6-64

3440 1758 19.00 158 115

S BX

GRUNVIG 420373

1/4
1/3

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Commercial - Via Globe - Via Mackay Radio

MESSAGE INFORMATION PHONE 797-3300 MESSAGE INFORMATION

Plaintiff's Exhibit 3.

TO CALL A MESSENGER: PHONE 797-7522 - TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A -7550 - OTHER MATTERS: PHONE 797-3300 MESSAGE INFORMATION: PHONE 797-7550 - OTHEI

Via All America - Via Commercial - Via Globe - Via Mackay Radio

K

ACR02

GRUNVIG 42037311+

ACRNY POS 10

GRUNVIG 420373

THIS IS OUR CABLE NO 3 JAN 4/64

MASTER PANOCEAN VIA CHATHAM RADIO

(VESSEL DUE GIBRALTAR FROM FLORIDA 7TH)

BUNKERING PROBABLY CEUTA BUT REVERTING

VESSEL HAD 555 TONS DEPARTING NEWORLEANS

FAIL UNDERSTAND INABILITY REACH MARSEILLES

GRUNDWAVE

ACRNY POS 10

Changed To 341

GRUNVIG 420373

Plaintiff's Exhibit 3.

ITT/AC&R SYSTEM — ITT/AC
Via All America - Via Commerc

T

ACR10

GRUNVIG 42037311+

ACRNY POS 10

GRUNVIG 420373

THIS IS OUR CABLE NO 2 JAN 6/64

LT

PUMP GIBRALTAR

UPON RECOMMENDATION TJSTEVENSON REQUEST YOU ATTEND

BUNKERING SHELL TOMORROW SS PANOCEAN

GRUNDWAVE

ACRNY POS 10

GRUNVIG 4203730

/STEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
ica - Via Commercial - Via Globe - Via Mackay Radio

FORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300
TO SEND A MESSAGE: PHONE 79
MESSAGE INFORMATION: PHON

Plaintiff's Exhibit 3.

Via All America - Via Commercial - Via Globe - Via Mackay Radio
ty Radio

PHONE 797-7522
PHONE 797-3300

TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE 797-7522
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300

CARMAR MARSLMKT
ACR01

GRUNVIG 42037311+

ACRNY POS 06

GRUNVIG 420373

THIS IS OUR CABLE NO 1 JAN 6/64

MASTER PANOCEAN (PANAMANIAN FLAG VESSEL DUE GIBRALTAR TOMORROW FROM FLORIDA BEST BET IS ST LYS RADIO)

RADIO SHELLBUNKER GIBRALTAR ETA AGENTS PUMP GIBRALTAR CONFIRM

GRUNDWAVE

ACRNY POS 06

GRUNVIG 420373M

Plaintiff's Exhibit 3.

FRENCH CABLE COMPANY
25 BROAD STREET, NEW YORK, TEL HA 2-7934

T267

RADIOPANOCEAN STLYSRADIO 13 7 1350GMT

GRUNDWAVE NEWYORK

SEVENTH 3549 0642 GENERAL SPEED 8.53 RECEIVED YOURS ETA 2000

MASTER +

CFM GRUNDWAVE 3549 0642 8.53 2000 +

FRENCH CABLE COMPANY
25 BROAD STREET, NEW YORK, TEL HA 2-7934

Plaintiff's Exhibit 3.

OT K GRUNDVIG 914 DE 7 14[illegible]

D427 CC299

SS PAN OCEAN HOSM CHATHAMRADIO VIA RCA 22 6 2030GMT=

GRUNDWAVE NYK=

ETA OUTSIDE GIBRALTAR 2000 SEVENTH ADVISE VIA FFL
FRANCE BUNKERING GIBRALTAR OR CEUTA AND AGENTS IN
ORDER GIVE ETA

MASTER

COLL 2000 FFL

[illegible]ATION C[illegible]
[illegible] EAST
[illegible] 26
AT
BY

A SERVICE OF RADIO CORPORATION OF AMERICA
66 BROAD STREET, N. Y. TEL. 363-2121
RCA COMMUNICATIONS, INC.
SERVICE OF RADIO CORPORATION OF AMERICA
66 BROAD STREET, N. Y. TEL. 363-2121
RCA COMMUNICATIONS, II
A SERVICE OF RADIO CORPORATION OF AMERICA
66 BROAD STREET, N. Y. TEL. 363-2121

Plaintiff's Exhibit 3.

TTY
Via All

O

ACR12

CRUNVIG 420373842418314

CARMAR MARSL

COS 2300

CRUNVIG 420373

GOOD EVENING THIS GRUNDWAVE NYC JAN 8/64:

PANOCEAN- LEFT GIBRALTAR EARLY THIS MORNING FOR MARSEILLES

KCABLING FUNDS TOMORROW AS FBC PRINCIPALS AWAY BUT PL CABLE
TO WHICH BANK YOU WISH CABLE TRANSFER MADE

DISCHARGE- THE VOYAGE CHARTER IS WITH COOK GRAINS SO
WE MUST BASE OURSELVES ON 1000 TONS DAILY
DISCHARGE WHICH MEANS 4 DAYS ABOUT

OCIDENTE TELLS US VESSELS ETS ONLY 16THWHICH MEANS
7 DAYS
SO PLEASE DO ABSOLUTELY UTMOST DISPATCH VESSEL AND ADVISE
IF OVERTIME RECOMMENDABLE ORDER GET HER OUT

HER TC RATE IS ABOUT 800 DAILY SO YOU CAN READILY SEE WHATS BEST

UNDERSTAND NEW MASTER NEW ENGINEER BOARDING SHIP AT MARSEILLES

TELEX SYSTEM - Via All America - Via Commercial - Via Globe - Via Mackay Radio
MESSAGE INFORMATION: PHONE 797-7550 - OTHER
797-7550 - OTHER MATTERS: PHONE 797-3300

Plaintiff's Exhibit 3.

VESSEL FIXED 2500 TONS BARYTES SEVILLE NEWORLEANS AND THENCE SHE WILL LOAD PORTUGAL

OCIDENTE WILL PROBABLY REQUIRE SOME GRAINFITTINGS DISMANTLED WHICH PL DISCUSS MASTER AND ARRANGE EN ROUTE SEVILLE AS REQUIRED BY OCIDENTE

TRUST WELL RCVD

CARMAR MARSLT
GMT 22.01-003.5

Via Globe - Via Mackay Radio

MESSENGER: PHONE 797-7522
MATTERS: PHONE 797-3300

TO SEND A
MESSAGE li

Plaintiff's Exhibit 3.

GRUNVIG 420373
CARMAR MARSL
GRUNVIG 420373 13/1/64 16.45 HRS GOOD AFTERNOON

=PANAEEEEE =PANOCEAN= DISCHARGING SOJABEANS AND MEAL MARSEILLES++

DISCHARGING COMMENCED SATURDAY AT 12.30 UNTIL 16.30 HRS
DISCHARGING RATE NOT VERY GOOD
TODAY IT RAINED UNTIL 10.30 HRS
WE STILL EXPECT TO FINISH THE SOJA BEANS TOMORROW EVENING
AND THEN WE WILL START WITH THE SOJA MEAL

SHIFTING BOARDS

THE BEANS ARE DISCHARGED BY GRAB THEREFORE THE SHIFTING BOARDS MUST BE TAKEN AWAY AND RECEIVERS INFORMED US THEY WILL CHARGE OWNERS WITH THE EXPENSES RESULTING FROM THIS EXTRA OPERATION

PSE CONFIRM US URVENT
PSE CONFIRM US URGENTLY THAT OWNERS AGREE ++

3) THESE TWO COMMODITIES COULD NOT BE DISCHARGED SIMULTANEOUSLY THEREFORE WHEN BEANS WILL BE DISCHARGED WE WILL ONLY BE IN POSITION TO GIVE NOTICE TO RECEIVERS OF THE MEAL
WE SHALL TRY TO FINISH BEFORE 4 PM IN ORDER THAT TIME STARTS TO COUNT IMMEDIATELY NEXT DAY

OVER++

NY- TX ABOVE WE WILL STUDY DISCUSS WITH COOK AND REVERT SHORTLY
WHAT ABT SELLING SHIFTING BOARDS AT MARSEILLES IS THE PRICE GOOD OVER

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio
— ITT/AC&R SYSTEM
- Via Mackay Radio
IONE 797-3300
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300

Plaintiff's Exhibit 3.

Via Commercial - Via Globe - Via Mackay Radio

SEND A MESSAGE: PHONE 797-3311 - TO CA
ESSAGE INFORMATION: PHONE 797-7550 - CA

MESSENGER: PHONE 797-7522
MATTERS: PHNE 797-3300

TO SEND A MESSAGE: PH
MESSAGE INFORMATION

KNOW FEAR THIS WONT BE POSSIBLE OWING CUSTOMS WILL TRY AND LET YOU
PSE REVERT SOONEST TODAY ON THE EXTRA EXPENSES AS RECEIVERS

SAID THEY WOULD STOP DISCHARGING IF WE DONT COME TO AN AGREEMENT++

OVER++

[illegible] 2 [illegible] 199(,92 -, :-)) 7 ?-:(
WE WILL TALK WITH COOK NOW AND TELEX U BACK BUT CANT SEE
THAT IT IS AN EXPENSE FOR OWNERS ACCOUNT BUT FOR CARGOES
ALSO! WHAT DO U FEEL ABT THAT OVER

WELL USUALLY ALL SHIPS TAKE THESE EXEPNSES FOR THEIR ACCOUNT
OTHERWISE ASK MASTER TO DO IT WITH THE CREW BUT WE ALREADY SPOKE
WITH HIM ABT THIS AND HE SAID HE HAD NOT SUFFICIENT CREW TO DO IT+++

OVER++

NY- WHAT ARE THE COSTS OR EXPENSES INVOLVED OVER

DIFFICULT TO SAY BUT CAN GIVE YOU AN IDEA OF ABT 3500/4500 FRS ++

OVER++

9(=99999995

BEST COPY AVAILABLE

Plaintiff's Exhibit 3.

ITT/ACER SYSTEM
Via All America - V

OK GO AHEAD AND LET IT BE FOR TIMECHARTERERS ACCOUNT AND WE WILL TAKE MATTER UP WITH COOK SO THAT WE CAN GET REFUND FROM THEM IF ANY OVER

YES OK RE EXPENSES IT CAN BE LESS JUST DEPENDS IF YOU WANT TO RE-USE THE BOARDS LATERON OR IF WE CAN JUST TAKE THEM OFF AND BREAK SOME OF THEM +++

NY- VESSEL WILL CONTINUE IN GRAIN TRADE SO DISMANTLE AND LEAVE THEM ONBOARD UNLESS THEY CAN BE SOLD AT A REASONABLE PRICE BUT CREW MUST ASSIST IN STORING THE PIECES ONBOARD OVER

YES OK THKS WELL AWAITING YOUR REPLY CHEERIO++++

GRUNVIG 420373

CARMAR MARSLUK

M

017ACR G15.48

ITT/ACER SYSTEM — ITT/ACER SYS
Via All America - Via Commercial - Via Globe -

I: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300
97-3311 - TO CALL A MESSE
MESSAGE IN
NE 797-7550 - OTHER MATTI

Plaintiff's Exhibit 3.

E

GOOD AFTERNOON THIS GRUNDWAVE NY JAN 16/64:

PANOCEAN = ROTATION MARSEILLES SEVILLE LISBON (POSSIBLY ALSO LEIXOES) LONDON IMMINGHAM BALTIMORE NEWORLEANS
BARYTES= WE RECOMMEND THAT THIS CARGO BE LOADED LOWER HOLDS NOS ONE FOUR AND FIVE UNLESS TWO HOLDS SATISFACTORY ABOUT WHICH MASTER WILL KNOW STOP BUT VESSEL MUST HAVE SAFE STOWAGE TRIM SEVILLE LISBON AND BALTIMORE NEWORLEANS
BARYTES MUST BE LEVELED OFF AS GENERALS GOING ON TOP

[illegible] ASKED OCIDENTE LISBON FORWARD MASTER COPY CP BARYTES
[illegible]GIVEINSTRUCP BARYTES

[illegible]D GIVE INSTRUCTIONS SEVILLE FOR NEXT PORT

OCIDENTE STATE VESSEL LVADING GENERALS ON TOP BARYTES AND ALL HOLDS TWEENDECKS OTHERWISE
AFTER DISCHARGE GENERALS LONDON VESSEL WILL LOAD IMMINGHAM CARGO IN SAME PLACES

BUNKERS WILL BE TAKEN LISBON ANDOR LONDON FOR BALTIMORE AS IMPORTANT UTILIZE VESSELS FULL CARGO CAPACITY AND NOT CARRY BUNKERS WATER AROUND UNNECESSARILY

Via All America - Via Commercial - Via Globe - Via Mackay Radio

ESSENGER: PHONE 797-7522
MATTERS: PHONE 797-3300

TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHON
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE

Plaintiff's Exhibit 3.

AC&R SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYST
All America - Via Commercial - Via Globe - Via Mackay Ra

E 797-7522
797-3300 TO SEND A MESSAGE: PHONE 797-3311 - TO CAL
MESSAGE INFORMATION: PHONE 797-7550 - OTI

WE WILL GIVE FULL INSTRUCTIONS DETAILS TO LISBON AND ASK MASTER KEEP SEVILLE AND LISBON WELL INFORMED VESSELS ETA

WE CANT NOW STATE DURATION EACV CALL WHICH DEPENDENT AMOUNT CARGO BUT IMPORTANT PERFORM FASTEST POSSIBLE VOYAGE SO THAT LOAD ACCOUNT COOK AGAIN

CARMAR MARSLM

GMT 21.41-007.5

Plaintiff's Exhibit 3.

Via All America · Via
Via All America · Via Commercial · Via Globe · Via Mackay Radio
PHONE 797-3311 - TO CALL A MESSENGER: PHONE 797-7522
ON: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300
TO SEND A MESSAGE: PHONE 797-3311
MESSAGE INFORMATION: PHONE 797-

ACR10

GRUNVIG 42037384241.831+

CARMAR MARSL

014 2030

GRUNVIG 420373

GOOD AGEJISJMON THIS GRUNDWAVE NYC JAN 14/64:

SS PANOCEAN=

WE HAVE TAKEN MATTER OF COSTS TEARING DOWN GRAINFITTINGS WITH COOK GRAINS AND EXPECT REFUND FROM THESE PEOPLE AS NOT OUR OBLIGATION TEAR DOWN FITTINGS AND ARRANGEMENT CALLED FOR SUCKER DISCHARGE HOWEVER ORDER AVOID DELAY TO VESSEL

WE WILL SETTLE MATTER HERE WITH COOK DIRECT AND MEANTIME ABSORB THE CHARGES IMPOSED BY RECEIVERS

UNLESS FITTINGS CAN BE SOLD AT REASONABLY GOOD PRICE PREFER THAT THEY BE STOWED AWAY ONBOARD AND REUSED

VESSEL WILL LOAD STEEL COILS IMMINGHAM BALTIMORE SO PLANKS NEEDED FOR DUNNAGE ANYWAY

Plaintiff's Exhibit 3.

ITT/A
Via

THERE IS ONLY ONE CHARTERER INVOLVED SO ONLY ONE TENDER TO BE GIVEN
ACCORDANCE CP
WHEREFORE TIME TO COUNT FROM ACCEPTANCE TENDER WHEN STARTED DISCHARGE
LESS TIME OFF FOR SATURDAY/SUNDAY UNTIL 8 AM MONDAY OR
FROM TIME WHEN RAINS STOPPED MONDAY MORNING

IMPERATIVE IMPROVE VESSELS DISPATCH SO RELY ALL POSSIBLE BEING DONE
EFFECT QUICKER DISCHARGE SO THAT VESSEL WILL NOT DEPART LATER THAN
TOMORROW NIGHT OR NOON THURSDAY

FM -- ITT/AC&R SYSTEM
Globe - Via Mackay Radio

REASON SNOW STORM OFFICIALS FBC AWAY SO WILL ARRANGE TRANSFER
DOLLARS 1000 TOMORROQ WHICH TRUST INORDER END

.7550 - OTHER MATTERS: PHONE 797-3300 MESSAGE

Plaintiff's Exhibit 3.

RCA COMMUNICATIONS, INC.
A SERVICE OF RADIO CORPORATION OF AMERICA
66 BROAD STREET, N. Y. TEL. 363-2121

JAN 18

JAN 17

D165 RDF 2154

RADIO PANOCEAN/MARSEILLERADIO 46 18 0820GMT =

GRUNDWAVE NEWYORK =

PANOCEAN DISCHARGING COMPLETED 0500 LOCAL JANUARY 18 STOP
HOLDS NOT CLEANED STOP GRAIN FITTINGS PARTLY DISMANTLED AND NOT
SAFELY SECURED STOP YOU ARE HELD RESPONSIBLE ANY DELAY DISPUTE
ACCORDINGLY ETA SEVILLA JANUARY 21 NOON LOCAL PLEASE ADVICE
VIA FFL WHEN VESSEL EUROPEAN WATERS =
MASTER +

COL GRUNDWAVE 0500 18 21 FFL +

Plaintiff's Exhibit 3.

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE 797-7522
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300

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ACR08

GRUNVIG 420037311+

ACRNY POS 06

GRUNVIG 420373

THIS OUR CABLE NO 5 JAN 18/64

MASTER SS PANOCEAN

VIA FFL RADIO (VESSEL DEPARTED MARSEILLES EARLY TODAY FOR SEVILLE WHERE DUE TUESDAY)

CLEANING FITTINGS COOKS ACCOUNT ~~XXXR~~ BUT ORDER AVOID FURTHER DELAY PLEASE CLEAN AND PREPARE HOLDS FOR BARYTES

RADIO VASURDIAZ SEVILLE ETA IMMEDIATELY CONFIRM

GRUNDWAVE

ACRNY POS 06

GRUNVIG 420373T

&R SYSTEM — ITT/AC&R SYSTEM
cial - Via Globe - Via Mackay Radio

TO SEND A MESSAG
MESSAGE INFORM

Plaintiff's Exhibit 3.

JA TEL TO OTTAR IDVING 914- DE 7-1464 NY

CHARGE TOLLS TO NY

DA147 CC2355

SS PANOCEAN/HOSM CHATHAMRADIO VIA RCA 22 19 1745=

GRUNDWAVE NEWYORK=

DOING UTMOST AVOID DELAY VESSEL AT SEA CONSIDERED MUCH WORK HOLD ONE FOUR FIVE LOAD BARYTES VASUARDIAZ CONFIRMED ETA

MASTER

CONFIRMATION COPY
TO
BY

RCA COMMUNICATIONS, INC.
A SERVICE OF RADIO CORPORATION OF AMERICA
66 BROAD STREET, N. Y. TEL. 363-2121

Plaintiff's Exhibit 3.

WP

GRUNVIG 420373U

V

ACR14

GRUNVIG 42037311+

ACRNY POS 02

GRUNVIG 420373

THIS OUR CABLE NO 1 JAN 30/64

LT

MASTER PANOCEAN CARE INTERNAVE PORTO (LEIXOES PORTUGAL)

SUPPLIERS SHELL PORTUGUESA BUT BUNKER ONLY SUFFICIENTLY REACH

LONDON VIEW VERY HIGH PRICE LEIXOES

GRUNDWAVE

ACRNY POS 02

GRUNVIG 4203730

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE
THER MATTERS: PHONE 797-3300

Plaintiff's Exhibit 3.

Via All America - Via Commercial - Via Globe - Via Mackay Radio

ND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE 797-7522
AGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300

TO SEND A MESSAGE: PHONE 797-3311 - TO
MESSAGE INFORMATION: PHONE 797-7550

O

027ACR G04.57

GRUNVIG 420373

ACR MN800

SEVILLA DE 53 26 1355

LT

GRUNDWAVE NEWYORK

PANOCEAN COMPLETED 2540 MT BARYTES 1200 AM LOCAL CARGO
NOT LEVELEDOFF PROPERLY CHARTERERS VASUARDIAZ INFORMED
NOTE WAS GIVEN REQREQRUIRE UPON ARRIVAL LEIXOES BUNKERS STOP
IF FULL BUNKERS ROTATION LEIXOES LONDON HULL IMMINGHAM
BALTIMORE REQUIRE 750 TONS STOP IF LEIXOES LONDON REQUIRE
200 TONS ETA JAN 28 1500 PM LOCA

MASTER

2540 x 5
12700

CFM: 250 1200 750 200 28 1500 PM

EB

373
66

GRUNVIG 420373

Plaintiff's Exhibit 3.

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via All America - Via Commercial - Via Gl

VKO

ACR02

GRUNVIG 420037311+

ACRNY POS 13

GRUNVIG 420373

THIS OUR CABLE NO 1 JAN 27/64

LT

OCIDENTE LISBON

CONCERNED NEW DELAY SEVILLE PANOCEAN AS HAVE CANCELLING STEEL CARGOES IMMINGHAM FEBRUARY 10TH PLEASE DO ABSOLUTELY UTMOST EXPEDITE VESSEL STOP MASTER RADIOS REQUIRES 200 TONS BUNKERS AT LEIXOES BUT VIEW ONLY FOUR DAYS STEAMING LONDON PREFER TAKE BUNKERS LONDON TRANSATLANTIC TRIP

GRUNDWAVE

ACRNY POS 13

GRUNVIG 420373

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Commercial - Via Globe - Via Mackay Radio

AGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300
MESSAGE INFORMATIC

Plaintiff's Exhibit 3.

A SERVICE OF RADIO CORPORATION OF AMERICA
5 STATE STREET, N.Y. TEL. BO. 9-9164

JAN 28 11 42 AM '64

EX34 CC501

SS PANOCEAN CHATHAMRADIOVIA CA 16/15 28 1510GMT

GRUNDWAVE NYK

PANOCEAN ETA LEIXOES JANUARY WOPTPP AM PLEASE ARRANGE FOR BUNKERS UPON ARRIVAL

MASTE

CFM 290500

RCA COMMUNICATIONS, INC.
A SERVICE OF RADIO CORPORATION OF AMERICA
5 STATE STREET, N.Y. TEL. BO. 9-9164

Plaintiff's Exhibit 3.

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via All America - Via Commercial - Via Glo

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GRUNVIG 420373

ACR L0171

PORTO 22 30 1050

GRUNDWAVE NEWYORK

BUNKERS RECEIVED 16 TONS REQUIRE 250 TONS REACH
IMMIGHAM INTERNAVE REQUESTS COMPANYS NAME SUPPLING
BUNKERS AND CONTRACT NUMBER
MASTER PANOCEAN

COL 16 250

M — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via Commercial - Via Globe - Via Mackay Radio

SAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300 TO SEND A MESSAGE: PHON
MESSAGE INFORMATION: I

Plaintiff's Exhibit 3.

T

ACR04

GRUNVIG 42037311+

ACRNY POS 18

GRUNVIG 420373

THIS OUR CABLE NO 1 JAN 29/64

FULL RATE

OCIDENTE LISBON

PANOCEAN PLEASE ARRANGE BUNKERS SUFFICIENTLY REACH

IMMINGHAM CONFIRM TO MASTER

GRUNDWAVE

ACRNY POS 18

GRUNVIG 4203730

Via All America - Via Commercial - Via Globe - Via Mackay Radio Via All.

TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENG
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTER

11 - TO CALL A MESSENGER: PHONE 797-7522
97-7550 - OTHER MATTERS: PHONE 797-3300

158a

Plaintiff's Exhibit 3.

RCA COMMUN
RCA COMMUNICATIONS, INC.
RCA COMMUNICATIONS, INC. FORM 910108 RCA COMMUNICATIONS, INC.
RCA COMMUNICATIONS, INC.
RCA

OTTAR GRUNDVIG

RECD 914-DE-7-1464 NY

1954 FEB 2 PM 2 57

D165 PGN0621

PORTO TELEX 17 2 1650

GRUNDWAVE NEWYORK

PANOCEAN SAILED TODAY 1445 LOADED LONDON 468 TONS HULL

1689 ETA LONDON FEBRUARY 6

INTERNAVE +

COL PANOCEAN 1445 468 1689 ETA 6 +

CONFIRMATION COPY
FEB 3 1954
AT 10
BY FH

468
1689
2157

Plaintiff's Exhibit 3.

RECEIVED
1934 FEB 2 PM 1 48 A

OTTAR GRUNDVIG

914 DE 71464

NNNN

D157 ZCZC CC2268

URNY CO URCH 029

SS PANOCEAN CHATHAMRADIO VIA RCA 29/27 2 1625GMT=

GRUNDWAVE NYK=

COMPLETED LOADING FEBRUARY 2 13.45 LOADED LONDON 468.421
KGS HULL 1220.876 KGS HOLDS AND DEC SAILED 14.30
ETA LONDON PILOTS FEBRUARY 7 05.00 AM

MASTER

COL 2 13.45 468.421 KGS 1220.876 KGS 14.30 ETA 7 05.00 AM

CONFIRMATION COPY
RECEIVED
1934 FEB 2 PM 1 54 A
TO
AT
BY

RCA COMMUNICATIONS, INC.
RCA COMMUNICATIONS, INC.
RCA COMMUNICATIONS, INC.
RCA COMMUNICATIONS, INC.
RCA COMMUNICATIONS, INC.

160a

Plaintiff's Exhibit 3.

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

5

043ACR G17.W

GRUNVIG 420373FDFDFF

GRUNVIG 420373

TEKWELL HULL

17.11 12.2.64 JLN/ML

PANOCEAN SINCE SPEAKING TO YOU WE HAVE RECEIVED A RADIO FROM THE MASTER QUOTE '' UNABLE BERTH THIS DATE OWING ENGINE TROUBLE HOPE NEXT TIDE '' UNQUOTE
FROM WHICH IT WOULD APPEAR TROUBLE IS NOT SHORTAGE BUNKERS .
WILL REPORT AGAIN SOONEST .
YOUR SUGGESTION TO LOAD STEEL AT IMMINGHAM BEFORE COMPLETION DISCHARGE AT HULL IS IMPRACTIVABLE APART FROM HEAVY EXTRA EXPENSES THAT WOULD BE INVOLVED IN DOCK DUES PILOTAGE ETC .
WE WILL EXPEDITE MATTERS ALL POSSIBLE ++

GRUNVIG 420373K

TO SEND A MESSAGE PHONE 797-3311 - TO CALL A MESSENGER
0 - OTHER MATTERS: PHONE 797-3300 MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS:

Plaintiffs Exhibit 3.

ITT/ACNR SYSTEM — ITT/ACNR SYSTEM — ITT/ACNR SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

M

ACR04

GRUNVIG 420373851522164

043ACR G15.10

TEKWELL HULL

THIS GRUNDWAVE NYC ON PANOCEAN PL GET AGENCY MAN TO
MACHINE

MASTER REPORTS VESSEL DARKENED AS NO FUEL
DID YOU NOT SUPPLY FUEL AS REQUESTED YESTERDAY
AND ALSO AS COMMUNICATED BY EGGAR FORRESTER IN LONDON
AS VESSEL DEPARTED FROM LONDON WITHOUT BUNKERING AS INSTRUCTED TO
EGGAR FORRESTER

ALSO WHAT IS SITUATION REGARDING THE STRIKE WE HAVE NO WORD FROM
YOU EXCEPTING AFTER ARRIVAL THAT THERE IS STRIKE AND EXPECTED
START DISCHARGE YESTERDAY BUT AS OF NOW NO NEWS PLEASE
ADVISE ON BOTH ABOOO COUNTS OVER

ITT/ACNR SYSTEM
Via Mackay Radio

TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE 797-752
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300
797-7522
797-3300

Plaintiff's Exhibit 3.

ARE U THERE OVER

YES JUST TRYING CONTACT AGENCY

GRUNVIG 420373

ARE U STILL THERE OVER

YES JUST A TIC

VESSEL STILL ANCHORED SPURN OWING TO CONGESTION DUE TO STRIKE

AN BUT WILL BE DOCKING TONIGHT

IMPOSSIBLE TO BUNKER AT SPURN ANCHORAGE WHICH OVER 20 MILES
AWAY AND WILL CONSULT WITH MASTER IMMEDIATELY ON ARRIVAL
AS TO QUANTITY REQUIRED +?

NY- MASTER REPORTS TO HIS OWNERS SHIP CANNOT MOVE AS NO A DROP
ONBOARD AND THAT SHE IS DARKENED SHIP IT IS SILLY BUT APPARENTLY
TRUE THEREFORE CAN YOU ARRANGE TO SUPPLY SUFFICIENT TO REACH
FLUSHING VIA IMMINGHAM EX BARGE RIGHT NOR SO SHE CAN
GO TO DOCK TONIGHT OVER

WE EXPECT SHE IS APPROACHING THE DOCK NOW AND WE GAVE THE
MASTER ORDERS BY RADIO THIS MORNING AND HE HAS NOT

SAID ANYTHING ABT SHORTAGE OF FUEL
WILL REPORT IMMEDIATELY ON ARRIVAL AS STATED +?

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via All America · Via Commercial · Via Globe · Via Mackay Radio

ITT/AC&R SYSTEM
be · Via Mackay Radio

TO SEND A MESSAGE: PHONE 797-7522
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300

SENGER: PHONE 797-7522
TTERS: PHONE 797-3300

Plaintiff's Exhibit 3.

SEND A MESSAGE: PHONE 797-331
SSAGE INFORMATION: PHONE 79

NY- UNDERSTAND NOW THAT THE SITUATION IS DIFFEENT
WHAT WE HEARD HERE

NOW ON THE MATTER OF CANCELLING DATE IMMIDGHAM
DO YOU THINK AN EXTENSION CAN BE OBTAINED SO THAT WE WONT
HAVE TO SAIL WITHOUT THE I MINGHAM CARGO AND HOW LONG
DO U THINK ITLL TAKE TO DISCHARGE THE LEIXOES CARGO OVER

O CALL A MESSENGER: PHONE 797-324
0 - OTHER MATTERS: PHONE 797-3300

WELL OF COURSE ALL DEPENDS ON HOW MANY CRANES AND HOW MANY
GANGS OF LABOUR WE OBTAIN TOMORROW MORNING BUT IN
ANY CASE SEEMS CERTAIN THAT THE VESSEL WILL NOT COMPLETE
DISCHARGING BEFORE THE WEEKEND BELIEVE HER
CANCELLING IMMINGHAM IS 15TH SO THAT SHE WILL PROBABLY MISS
THIS UNFORTUNATELY OWING LABOUR DISPUTES NOT PRESENTLY
ABLE WORK OVERTIME AND THERE IS ALSO A POSSIBILITY
THAT WE MAY HAVE A TOKEN STRIKE ON FRIDAY WHICH WILL NOT HELP +?

NY- WE HAVE STRIKS INSURANCE FOR SHIP SO IMPORTANT THAT SHE BE SPEEDED
UP NEVERTHELESS BUT PL REPORT EARLIEST POSSIBLE THANKS END BIBI

O K BIBI

TEKWELL HULLV
GMT 15.21-011.

SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
merica - Via Commercial - Via Globe - Via Mackay Radio

TO SEND A MESSAGE: PHONE 797-
MESSAGE INFORMATION: PHONE

Plaintiff's Exhibit 3.

ITT AC&R SYSTEM — ITT A
Via All America - Via Commer

MV

ACR04

GRUNVIG 420037311+

ACRNY POS 13

GRUNVIG 420373

THIS OUR CABLE NO 2 FEB 7/64

EGGARCHART LONDON (ENGLAND)

PANOCEAN TRUST HAS SUFFICIENT BUNKERS REACH IMMINGHAM IF NOT

CAN YOU [illegible] SUPPLY SUFFICIENTLY [illegible]

REACH FLUSHING

GRUNDWAVE

THIS IS LT

ACRNY POS 13

GRUNVIG 420373V

R SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
America - Via Commercial - Via Globe - Via Mackay Radio

MATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300
TO SEND A MESSAGE: PHONE 797-33
MESSAGE INFORMATION: PHONE 7

Plaintiff's Exhibit 3.

RCA COMMUNICATIONS, INC.
A SERVICE OF RADIO CORPORATION OF AMERICA
5 STATE STREET, N.Y. TEL. BO. 9-9164

FEB 10 4 32 PM '64

EX42 CC251

URNY CO URCH 020

SS PAN OCEAN HOSM CHATHAMRADIO VIA RCA 20 10 1945GMT

GRUNDWAVE NEWYORK

STILL ANCHORED HUMBER ROADS DUE STEVEDORES STRIKE
POSSIBLY DOCKING WEDNESDAY PLEASE ARRANGE FOR
BUNKERS IMMEDIATELY UPON DOCKING

MASTER

RCA COMMUNICATIONS, INC.
A SERVICE OF RADIO CORPORATION OF AMERICA
5 STATE STREET, N.Y. TEL. BO. 9-9164

Plaintiff's Exhibit 3.

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

ITT/AC&R SYSTI
Via All America

T

ACR02

GRUNVIG 42037311+

ACRNY POS 14

GRUNVIG 420373

THIS OUR CABLE NO 4 FEB 11/64

TEXWELL HULL (ENGLAND)

PANOCEAN MASTER URGENT NEED BUNKERS TOMORROW AM PLEASE
ARRANGE SUPPLY SUFFICIENTLY REACH FLUSHING AFTER I MMINGHAM
~~XXDXXXXXXXXXXXXXX~~ HAVE REQUESTED OCIDENTE COVER COSTS

GRUNDWAVE

ACRNY POS 14

GRUNVIG 420373

THIS IS OR WAS AN LT

THIS OUR CABLE NO 5 FEB 11/64

PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300
MESSAGE INFORMATION: PHONE 797-7550 - OT

Plaintiff's Exhibit 3.

FULL RATE

OCIDENTE LISBON

HAVE REQUESTED TEKWELL X SUPPLY URGENTLY PANOCEAN BUNKERS

REACH FLUSHING PLEASE COVER COSTS EX FREIGHTS AND CONFIRM

TEKWELL

GRUNDWAVE

THIS AN LT

ACRNY POS 14

GRUNVIG 420373 U

mercial - Via Globe - Via Mackay Radio

L A MESSENGER: PHONE 797-7522
HER MATTERS: PHONE 797-3300

TO SEND A MESSA
MESSAGE INFORM

Plaintiff's Exhibit 3.

RCA A S

FEB 11 2 38 PM '64

EX35

UWS1283 CW39

PANOCEAN HUMBERRADIO 24 11 1700

GRUNDWAVE NEWYORK

ANCHORED THREE DAYS HUMBER ROADS DUE STRIKE BUNKERS
SHORTAGE REQUIRE BUNKERS TOMORROW MORNING IMMEDIATELY
OTHERWISE BLACK OUT EVERYTHING TRAFFIC VIA GKZ
MASTER

COL GKZ

RCA COMMUNICATIONS, INC.
A SERVICE OF RADIO CORPORATION OF AMERICA
5 STATE STREET, N.Y. TEL. BO. 9-9164

Plaintiff's Exhibit 3.

Via All America - Via Commercial - Via Globe - Via Mackay Radio

TO CALL A MESSENGER: PHONE 797-7522
797-7550 - OTHER MATTERS: PHONE 797-3300

TO SEND A MESSAGE: PHONE 797-3311 - TO
MESSAGE INFORMATION: PHONE 797-7550 .

W

GRUNVIG 420373

KO

044ACR G11.41

GRUNVIG 420373

GRUNVIG 420373

TEKWELL HULL

11.42 13.2.64 JLN/MLNO 19794

PANOCEAN DOCKED 0615 AND HAS COMMENCED DISCHARGING WITH TWO CRANES WE SHALL INCREASE AS SOON AS POSSIBLE .

NO FUEL OIL WHATEVER ON BOARD SO WE ARE ARRANGING SUPPLY 160 TONS TODAY WHICH MASTER ESTIMATES WILL BE SUFFICIENT REACH FLUSHING ++

GRUNVIG 4203730

Plaintiff's Exhibit 3.

ITT/AC&R SYSTEM
Via All America - V

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

TO SEND A MESSAGE: PHONE 797-7522
PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300

TO SEND A MESSAGE: PHONE 797-7522
MESSAGE INFORMATION: PHONE 797-7550 - OTHER

O

050ACR G18.10

GRUNVIG 420373

ACR JI105/BF58

HULL 30 19 459PM

GRUNDWAVE NEWYORK

REQUIRE FLUSHING FIVE TONS DIESEL CONSUMED ALREADY STOP
SHIPPERS REFUSE LASH CARGO VESSEL WILL NOT SAIL WITHOUT
LASHING TELEGRAPH INSTRUCTIONS STOP ADVISE AGENTS
BALTIMORE FLUSHING ETD 21/2

MASTER

CFM 21/2

Plaintiff's Exhibit 3.

GYRACR G17.51

GUUNVIC 420373

ACR SM129/VIA MACKAYRADIO ANNAGANSETTNY

GY PANOCEAN MOSM 23 12 1630

GRUNDMAVE NYK

PREVAILING DETRIMENTAL WESTERLY SEVERE GALES AND STORMS SINCE PLUSING STOP IMPOSSIBLE STIPULATE EXACT ETA BALTIMORE PRESENT WEATHER WSW SEVERE GALE

MASTER

COL WSW

BEST COPY AVAILABLE

Plaintiff's Exhibit 3.

ACR04

GRUNVIC 42037311+

AGENT POS 20

GRUNVIC 420373

MESSAGE NO 2 MARCH 12 1964

TO MASTER PANOCEAN

(ETA BALTIMORE MARCH 18)

VESSEL CLEARLY NOT PERFORMING ACCORDANCE TERMS TIMECHARTER
INSIST YOU EXERT EVERY EFFORT CONSISTANT SAFETY ARRIVE COMPLET
BALTIMORE ARRIVE COMPLET GULF AND PRESENT ON GRAIN CHARTER
PRIOR DEADLINE MARSH THIRTYFIRST

GRUNDWAVE

AGENT POS 20

GRUNVIC 4203730

173a

Plaintiff's Exhibit 3.

Vessel received Hull 150 5
" " Flushing 434 "
Cyprus 250 "
8345
Jan on board Today 134 "
7005
All Fuel Used
20 Tons daily at Sea 520 "
1805

QT

CRUNVIC 810.41

CRUNVIC 420373

ACR 58165 VIA MACKAYRADIO AMAGANSETTNY

DE TANCREAN NOSM 63 20 1800

GRUNDWAVE NYC

YOUR PROTEST RECEIVED UNDER PROTEST STOP NOON TWENTIETH
POSITION 5510 5917 NEARER WEATHER WEST FORCE NINE SPEED THREE KNOTS
FUEL CONSUMPTION 18 ON ONE BOILER STOP FUEL ABOARD 135 WATER
NIL STOP DEVIATION POINT 3715 5700 FUEL THEN 165 WATER 15 WEATHER
MOST SEVERE WESTERLY GALES FORECASTED STOP DEVIATION NECESSARY
OBVIOUS IMPOSSIBILITY REACH BALTIMORE IN VIEW FUEL WATER
ONBOARD WEATHER CONDITIONS

MASTER

5510 5917 18 135 NIL 3715 5700 165 15

TT

CRUNVIC 420373TTNM

Plaintiff's Exhibit 3.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1209 (4-60)

DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

The time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

C206CDC DAG RX PD

CD NEWYORK NY 950A EDT JUN 2 1964

FERRO BET CORPORATION OF AMERICA

CS 70 PINE ST NYK

THIS IS TO ADVISE THAT REPAIRS HAVE BEEN MADE TO THE S/S PANOCEAN AND WE HEREBY TENDER THE SAID VESSEL AS BEING REA Y ON FRIDAY JUNE 5TH 1964 TO CONTINUE UNDER THE CHARTE PARTY DATED OCTOBER 17, 1963 AND THE VOYAGE TO NEW ORLEANS STOP PLEASE MAKE ALL NECESSARY ARRANGEMENTS FOR VESSEL TO DEPART ACCORDINGLY AS PROVIDED FOR UNDER THE CHARTERPARTY STOP PLEASE ACKNOWLEDGE.

TRANS MARINE SHIPPING AGENCY INC.
AS AGENTS FOR S/S PANOCEAN AND PANOCEAN NAVIGATION LINE, S/A/

100CA EDT

Received
6/2-1964
12.20 PM.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Plaintiff's Exhibit 7, Aronsen Survey.

2/7/69

DEPOSITION EXHIBIT FOR IDENTIFICATION 12

JC

REPORT OF SURVEY

OSCAR L. ARONSEN, INC.
CONSULTING ENGINEERS
MARINE SURVEYORS
15 MOORE STREET
NEW YORK 4, N. Y.
CABLE: OLAMARYORK
WHITEHALL 4-6858

Ferro-Bet Corp. of America
70 - Pine St.
New York, N.Y.

S.S. "PANOCEAN"

This is to Certify that the undersigned has, at the request of Ferro-Bet Corp. of America (Charterer of the above named vessel) inspected the s.s. "Panocean" while she was discharging cargo at Canton in the Port of Baltimore, Md. on Friday, Apr. 3, 1964.

The purpose of the inspection was to determine why the ship had experienced very excessive consumption of fuel oil and water during service under Time Charter Party to Ferro-Bet Corp. The undersigned had a letter of introduction to the Captain A, Savopoulos from the Charterer, which was delivered direct to him. We were informed by the Master that the Engine Log books were carried in Greek and therefore it was impossible for the undersigned to read or study same.

The Following Was Noted :

The vessel is fitted out with (2) Lamont Boilers with necessary filters and circulating pumps for proper operation. Forward of the Lamont Boilers is located a Scotch Boiler, standard type with (3) furnaces. The main propulsion engine is a 4-cylinder Double Compound Lentz Engine. The aux. machinery consists of the standard type as installed on most ordinary steam propelled ships.

When entering the engine room it was noticeable that the condition of same was in a deplorable condition. The steam piping was covered with a heavy layer of soot and the floor plated both in the engine room and the boiler room were covered with a heavy layer of oil and dirt.

Boilers

The starboard Lamont boiler was out of operation and we understand that it had been for a long time. The manhole cover for the steam drum was removed and examining the interior of the drum same was found dirty, more dirty than is permissable in a watertube boiler. Examing the furnace it was noted that the tubing was covered by a heavy layer of slag. The port boiler (Lamont) was on the line and therefore this boiler was not inspected.

Plaintiff's Exhibit 7

The construction of the Lamont boiler is such that water is circulated through the tubes by a circulating pump driven by electric motor. The water is taken from the steam drum and pumped through various furnace circuits through a manifold where there are located orifices for each circuit.

It is therefore of utmost importance that the boilers are clean inside. Slag on the tubes in the furnace and also tubes being dirty internally will make the boilers very uneconomical to operate.

s.s. "PANOCEAN" (cont.)

Boilers (cont.)

The Scotch boiler which had been on the line when the vessel arrived, was now cut out and appeared in bad condition.
There must have been a bad leak in way of the center furnace of the Scotch boiler because salt water leaks were noted all the way out to the floor plates in front of the boiler. Examining the port and stbd. furnaces it was noticed that lot of salt had accumulated on the bottom of each of the combustion chambers. Due to the leakage this boiler must have used a lot of water.

During the afternoon on the ship the undersigned met the Owner of the vessel, Mr. Makojiannis. Present with the Owner conducting a survey of the vessel were representatives from Salvage Assoc. London and the Bureau Veritas. We understand that the Owner intended taking the vessel from Lloyds Register of Shipping over to the Bureau Veritas. I was asked by the Owner not to talk to anybody, nor to ask any questions, and these instructions were followed. I could not help overhearing that the Owner informed the London Salvage representative, Mr. Jones that he would claim the condition of the boilers on the negligence of the crew. As previously stated the condition of the boilers and the machinery space on the "Panocean" are indescribable.

As the undersigned was requested by the Charterer to visit the vessel again at the Maryland Shipbuilding and Drydocking Co. on Monday, April 13, 1964 I was informed by Capt. Savopoulos that he had been informed by the Owner that the undersigned was not permitted to enter the ship.

Plaintiff's Exhibit 7

Conclusion

It is our opinion that heavy fuel oil consumption is due to improper operation of the boilers, and the heavy water consumption due to leaking boiler tubes ahd possible leaking piping. Due to the condition of the boiler it was impossible to maintain the speed and consumption as stated in the Charter Party .

New York, N. Y.
April 15, 1964

OSCAR L. ARONSEN, INC.

O. L. Aronsen

O. L. Aronsen

SIR WILLIAM GARTHWA (INSUF) LIMITED
INCORPORATING SINCL... HAMIL...ON & CO.
ESTABLISHED 1805

PRESIDENT
H. J. GARTHWAITE

DIRECTORS
C. MAILING, JOINT MANAGING DIRECTOR
A. D. DELDERFIELD JOINT MANAGING DIRECTOR
SIR WM. F. C. GARTHWAITE, BART., D.S.C.
G. S. PITT, F.C.A.
S. H. HAWKINS. J. E. EDSALL.
E. W. FOOT.

TELEPHONE
AVENUE 2454 (10 LINES)
TELEX NO 23459

TELEGRAPHIC ADDRESSES
INLAND GARTHWAITE LONDON TELEX
OVERSEAS GARTHWAITE LONDON EC3

BANKSIDE HOUSE,
108, LEADENHALL STREET,
LONDON, E.C.3.

178a

Plaintiff's Exhibit 9,
Cover Notes

REFERENCE ...
...ine ...e, ...t...L.

...th November, 19 63.

AND AT LLOYD'S

Messrs. ...t Western Associates Inc:
...c: ...n ...ion Line, ... and
...ans ...ine ... ...y Inc:
Loss payable clause as within.

We beg to advise having insured provisionally for your account

...x U.S. 136,710 @ 5.75 per cent On ... c., as under:
part of U.S. 240,000

"... ex ..."

...nd for and during the period of T... commencing at 1015 hours ..., 1963 and ending at 1015 hours ... 1964 beginning and ending with ... Time.

...n:

...

Subject to American Institute Hulls Form (amended to 4,000 franchise) including 'Both to Blame' clause.
Including 'Not Liable' clause.
Subject to Institute Warranties or Risk covered with or without previous notice, at a rate to be agreed.
Including premium at 2½ per annum if no Trans-North Atlantic trading, and at pro rata thereafter.
Including General Average, Salvage, Salvage and Special Charges as per York/Antwerp Rules 1950 or any subsequent modification.
Including Collision Liabilities clause.
Including Bailees, or Equipment clause.

/P.T. .

such
have
em!

th
after
In

136

179a

Plaintiff's Exhibit 9.

[illegible] A/c.

[illegible] Y.".

[illegible] Insurance Co. Ltd.

[illegible] Insurance Co. Ltd.

[illegible] Vereeg Insurance Co. Ltd.

[illegible] Provincial Insurance Co. Ltd.

[illegible] Orew Air Insurance Co. Ltd.

[illegible] Insurance Co. Ltd. "I" Drive A/c.

[illegible] Insurance Society of North America.

[illegible] Insurance Co. Ltd.

[illegible] Westminster Insurance Co. Ltd.

[illegible] Mutual Fire Insurance Co. Ltd.

[illegible] Mutual Marine Insurance Co. Ltd.

[illegible] Insurance Co. Ltd.

[illegible] Reinsurance Life Insurance Society Ltd.

[illegible] Insurance Co. Ltd.

[illegible] Guy Insurance Co. Ltd.

[illegible] Fidelity Insurance Co. Ltd.

[illegible] Motion Insurance Co. Ltd.

[illegible] Mutual Life Insurance Corporation Ltd.

[illegible] Life Insurance Co. Ltd. "I" A/c.

[illegible] Insurance Co. Ltd.

[illegible] Provincial Insurance Co. Ltd.

[illegible] Fire Insurance Co. Ltd.

[illegible] Insurance Co. Ltd.

[illegible] American Insurance Co. Ltd.)
[illegible] Insurance Co. Ltd.) "I" A/c.
[illegible] Mutual Insurance Co.(Canada) Ltd.)

[illegible] Fire Insurance Co. Ltd.

[illegible] Mutual Insurance Co. Ltd.

[illegible] Insurance Co. Ltd.

[illegible] Co. Ltd.

[illegible] Insurance Co. Ltd.

[illegible] Insurance Co. Ltd.

[illegible]

BEST COPY AVAILABLE

Plaintiff's Exhibit 9.

CANCELMENT NOTICE CLAUSE

Whereas (notwithstanding anything in this Policy to the contrary) Credit has been given by Sir William Garthwaite (Insurance) Limited (hereinafter called the Brokers) for premiums due to them hereon it is hereby agreed between the Assured and the Brokers that in the event of the premium or any instalment thereof not having been received by the Brokers as soon as it has become due to them and/or in the event of the Assured not having paid the premium or any instalment thereof prior to the expiry of the five days hereinafter mentioned the Brokers are hereby authorised by the Assured on the expiry of five days from dispatch to the Assured of a telegram demanding payment to cancel risk under this Policy from expiry of the aforesaid five days or from any later date at the sole discretion of the Brokers and on such cancellation the Underwriters shall not be responsible for accidents that can be proved to have happened after such cancellation and the Brokers may collect and retain any return premium hereon. In such case Underwriters hereby agree to cancel and return to the Brokers any premium that may have been then already received by Underwriters in excess of *pro rata* premium up to cancelling date or if the premium shall not then have been paid to the Underwriters they shall receive from the Brokers the balance of premium up to the said cancelling date. In the event of the interest hereby insured being a Total, Constructive, Arranged or Compromised Total Loss from any cause whatsoever any premium (including all future instalments) unpaid to the Brokers shall immediately become due and payable and Brokers shall be entitled to take credit therefor. This clause shall not prejudice or affect the Brokers' lien on this Policy for any amount remaining due to them whether in connection with this Policy or otherwise or any other rights of the Brokers against the Assured.

BCR MAR 25879

Plaintiff's Exhibit 9.

Including [illegible] of.
Including [illegible] Vacation Lease.
Including [illegible].
Subject to [illegible] Lease.
Subject to [illegible] of said Lease (if any).
Including any [illegible], policy proof of interest, excluding total loss, [illegible] of the insurance thereunder.
Premiums [illegible] quarterly.
Subject to [illegible] notice least, as set out.

Loss, if any, payable to The Marine Midland Trust Company of New York, as Mortgagee, for distribution to itself and the borrower, as interest may appear except that in case not exceeding $25,000 any one accident or occurrence, may be paid directly to the borrower until the Marine Midland Trust Company of New York shall otherwise direct.

As per list attached.

[illegible]

1 bcd.

SIR WILLIAM GARTHW/ INSUR LIMITED
INCORPORATING SIR T.A. HAMILTON & CO
ESTABLISHED 1805

PRESIDENT
H. J. GARTHWAITE

DIRECTORS
C. MAILING, JOINT MANAGING DIRECTOR
A. D. DELDERFIELD, JOINT MANAGING DIRECTOR
SIR WM. F. C. GARTHWAITE, BART., D.S.C.*
G. S. PITT, F.C.A.
S. H. HAWKINS J. E. EDSALL
E. W. FOOT

TELEPHONE
AVENUE 2454 (10 LINES)
TELEX NO 23459

TELEGRAPHIC ADDRESSES
INLAND GARTHWAITE LONDON TELEX
OVERSEAS GARTHWAITE LONDON EC3

182a

Plaintiff's Exhibit 9.

BANKSIDE HOUSE,
108, LEADENHALL STREET,
LONDON, E.C.3.

REFERENCE [illegible]
[illegible] Department.

AND AT LLOYD'S

28th November, 1963.

Messrs. [illegible]

We beg to advise having insured provisionally for your account

U.S. 17,9[illegible] of
~~U.S.~~ U.S. 18,116 @ 1.3125 per cent On [illegible]

"[illegible]"

[illegible] for the period of [illegible], commencing at 1015 hours [illegible], 1963 and ending at 1015 hours [illegible] New York, local standard time, and ending with [illegible].

On:

[illegible] valued at total sum insured

[illegible].

This insurance is only to cover the risks of total and/or constructive total loss of vessel, including total loss or compromised total loss of vessel. Including all risks, collision, collision and/or navigation clauses as full. Including all liabilities incidental thereto, including all liabilities which may attach to the vessel in respect of contribution to general average, salvage, salvage charges, [illegible] and all liabilities which are not recoverable under the terms of the [illegible] clauses and/or protection and indemnity club, the current Tower Clause liabilities attaching to freight and/or hire irrespective of the contributory value thereof.
Subject to [illegible] of Capture and Seizure Clause and Returns Clause.
Full interest admitted. Policy proof of interest.
Without benefit of salvage.

/.../...

Plaintiff's Exhibit 9.

CANCELMENT NOTICE CLAUSE

Whereas (notwithstanding anything in this Policy to the contrary) Credit has been given by Sir William Garthwaite (Insurance) Limited (hereinafter called the Brokers) for premiums due to them hereon it is hereby agreed between the Assured and the Brokers that in the event of the premium or any instalment thereof not having been received by the Brokers as soon as it has become due to them and/or in the event of the Assured not having paid the premium or any instalment thereof prior to the expiry of the five days hereinafter mentioned the Brokers are hereby authorised by the Assured on the expiry of five days from dispatch to the Assured of a telegram demanding payment to cancel risk under this Policy from expiry of the aforesaid five days or from any later date at the sole discretion of the Brokers and on such cancellation the Underwriters shall not be responsible for accidents that can be proved to have happened after such cancellation and the Brokers may collect and retain any return premium hereon. In such case Underwriters hereby agree to cancel and return to the Brokers any premium that may have been then already received by Underwriters in excess of *pro rata* premium up to cancelling date or if the premium shall not then have been paid to the Underwriters they shall receive from the Brokers the balance of premium up to the said cancelling date. In the event of the interest hereby insured being a Total, Constructive, Arranged or Compromised Total Loss from any cause whatsoever any premium (including all future instalments) unpaid to the Brokers shall immediately become due and payable and Brokers shall be entitled to take credit therefor. This clause shall not prejudice or affect the Brokers' lien on this Policy for any amount remaining due to them whether in connection with this Policy or otherwise or any other rights of the Brokers against the Assured.

13 1 13 MAK 25579

Plaintiff's Exhibit 9.

Subject to trading warranties as in full policies but any breach thereof held covered with or without notice at half rate of additional premium paid on full, as per ~~scale~~ attached where applicable.
Returnable proportion of ~~premium~~ per annum if no trans-atlantic trading, valid for three consecutive months.
Including ~~unfulfilled~~ ~~requisites~~ clause.
Subject to ~~New York~~ ~~Public~~ clause.
Subject to ~~service of suit~~ clause (New York).
Cancelling ~~returnable~~ only.
Subject to ~~Special~~ ~~Notice~~ Clause, as attached.
Premiums payable quarterly.

~~LOSS PAYABLE~~:

Loss, if any, payable to The ~~Marine~~ Midland Trust Company of New York, as Mortgagee, for distribution to itself and the Borrower, as interest may appear except that losses not exceeding $5,000 any one accident or occurrence may be paid directly to the Borrower until the Marine Midland Trust Company of New York shall otherwise direct.

~~UNDERWRITERS~~:

Atlas Assurance Co. Ltd. ~~'A'~~ A/c.
London & Overseas Insurance Co. Ltd.
Provincial Insurance Co. Ltd.
English & American Insurance Co. Ltd.) ~~'B'~~ A/c.
Economic Insurance Co. Ltd.)

~~SUBJECT TO~~

M. Scrivings.

13/c

COPY

SIR WILLIAM GARTHW[illegible] (INSUR[illegible]) LIMITED.
INCORPORATING SINCL[illegible] HAMILTON & CO.
ESTABLISHED 1805.

PRESIDENT.
H. J. GARTHWAITE.

DIRECTORS.
C. MAILING, JOINT MANAGING DIRECTOR.
A. D. DELDERFIELD, JOINT MANAGING DIRECTOR.
SIR Wm F. C. GARTHWAITE, BART., D.S.C.
G. S. PITT, F.C.A.
S. H. HAWKINS. J. E. EDSALL.
E. W. FOOT.

TELEPHONE
AVENUE 2454 (10 LINES)
TELEX NO 23459

TELEGRAPHIC ADDRESSES
INLAND GARTHWAITE LONDON TELEX
OVERSEAS GARTHWAITE LONDON EC3

185a

Plaintiff's Exhibit 9.

BANKSIDE HOUSE,
108, LEADENHALL STREET,
LONDON, E.C.3.

26th November, 19 63.

REFERENCE [illegible] I/[illegible].
Marine Department.

AND AT LLOYD'S

Messrs. [illegible]est Eastern Associates Inc:
A/C: [illegible]an Ocean Navigation Line, [illegible].A. and
[illegible]rans Marine [illegible]ping Agency Inc:
Loss Payable Clause as within:

We beg to advise having insured provisionally for your account

~~U.S.~~ U.S.$ 42,040 @ 1.3125 per cent On INCREASED VALUE &c., as under:
of U.S.$ 10,500

"[illegible]" ex "[illegible]"

And for and during the period of [illegible] CALENDAR MONTH[illegible], commencing at 1015 hours [illegible]TH NOVEMBER, 1963 and ending at 1015 hours [illegible]TH NOVEMBER, 1964 beginning and ending with [illegible] STANDARD Time.

On:

[illegible] valued at total sum insured these interests.

This insurance is only to cover the risks of Total and/or Constructive Total and/or Arranged Total and/or Compromised Total Loss of Vessel. Including Collision, Deviation, Valuation and Continuation Clauses as Hull. Including in addition and independently all liabilities which may attach to the Assured in respect of contribution to General Average, Salvage, Salvage Charges, Sue and Labour Expenses and additional charges on Freight and/or Hire arising from an insured peril which are not recoverable under the terms of the Freight Clauses and/or Protection and Indemnity Club, and Running Down Clause liabilities attaching to Freight and/or Hire (irrespective of the contributory value thereof).
Subject to American Free of Capture and Seizure Clause and Returns Clause.
Full Interest Admitted. Policy Proof of Interest.
Without Benefit of Salvage.

E.&O.E.

185a

Plaintiff's Exhibit 9.

CANCELMENT NOTICE CLAUSE

Whereas (notwithstanding anything in this Policy to the contrary) Credit has been given by Sir William Garthwaite (Insurance) Limited (hereinafter called the Brokers) for premiums due to them hereon it is hereby agreed between the Assured and the Brokers that in the event of the premium or any instalment thereof not having been received by the Brokers as soon as it has become due to them and/or in the event of the Assured not having paid the premium or any instalment thereof prior to the expiry of the five days hereinafter mentioned the Brokers are hereby authorised by the Assured on the expiry of five days from dispatch to the Assured of a telegram demanding payment to cancel risk under this Policy from expiry of the aforesaid five days or from any later date at the sole discretion of the Brokers and on such cancellation the Underwriters shall not be responsible for accidents that can be proved to have happened after such cancellation and the Brokers may collect and retain any return premium hereon. In such case Underwriters hereby agree to cancel and return to the Brokers any premium that may have been then already received by Underwriters in excess of *pro rata* premium up to cancelling date or if the premium shall not then have been paid to the Underwriters they shall receive from the Brokers the balance of premium up to the said cancelling date. In the event of the interest hereby insured being a Total, Constructive, Arranged or Compromised Total Loss from any cause whatsoever any premium (including all future instalments) unpaid to the Brokers shall immediately become due and payable and Brokers shall be entitled to take credit therefor. This clause shall not prejudice or affect the Brokers' lien on this Policy for any amount remaining due to them whether in connection with this Policy or otherwise or any other rights of the Brokers against the Assured

W. G. [illegible] LTD.

Plaintiff's Exhibit 9.

Subject to trading [illegible] as in hull policies but any breach thereof held covered with or without notice at half rate of additional premium paid on full, or scale equivalent [illegible] where applicable.
Returning Pro Rata Net of [illegible] per annum if no trans-North Atlantic trading, minimum three consecutive months.
Including Affiliated [illegible] Clause.
Subject to New York [illegible] Clause.
Subject to Service of Suit Clause (New York).
Premiums payable quarterly.
Subject to Cancelment Notice Clause, as attached.

Cancelling Returns Only.

LOSS PAYABLE CLAUSE:

Loss, if any, payable to the Marine Upland Trust Company of New York, as Mortgagee, for distribution to itself and the Borrower, as interest may appear except that losses not exceeding $10,000 any one accident or occurrence may be paid directly to the Borrower until the Marine Upland Trust Company of New York shall otherwise direct.

OTHER INSURERS:

LLOYD'S.

For and on behalf of
SIR WILLIAM GARTHWAITE (INSURANCE) LTD.

M. F. Landon
Manager
Marine Department.

1b1c

SIR WILLIAM GARTHWAITE (INSURANCE) LIMITED
INCORPORATING SINCLAIR HAMILTON & CO.
ESTABLISHED 1805.

PRESIDENT
H. J. GARTHWAITE.

DIRECTORS
C. MAILING, JOINT MANAGING DIRECTOR
A. D. DELDERFIELD, JOINT MANAGING DIRECTOR
SIR WM F. C. GARTHWAITE, BART., D.S.C.
G. S. PITT, F.C.A.
S. H. HAWKINS. J. E. EDSALL.
E. W. FOOT.

TELEPHONE
AVENUE 2454 (10 LINES)
TELEX NO 23459

TELEGRAPHIC ADDRESSES
INLAND GARTHWAITE LONDON TELEX
OVERSEAS GARTHWAITE LONDON EC3

BANKSIDE HOUSE,
108, LEADENHALL STREET,
LONDON, E.C.3.

AND AT LLOYD'S

188a

Plaintiff's Exhibit 9.

28th November, 19 63.

REFERENCE MWI/PD.
Marine Department.

Messrs. Great Eastern Associates Inc:
A/c: Pan Ocean Navigation Line, S.A. and
Trans Marine Shipping Agency Inc:
Loss Payable Clause as within.

We beg to advise having insured provisionally for your account

~~xxx~~ U.S.$ 19,980 @ 1.5 per cent On PREMIUMS &c., as under:

"PANOCEAN" ex "SEA STAR"

And for and during the period of TWELVE CALENDAR MONTHS, commencing at 1015 hours NINETEENTH NOVEMBER, 1963 and ending at 1015 hours NINETEENTH NOVEMBER, 1964 beginning and ending with EASTERN STANDARD TIME.

On: PREMIUMS REDUCING ONE-TWELFTH MONTHLY AS PER CLAUSE.

This insurance is only to cover the risks of Total and/or Constructive Total and/or Arranged Total and/or Compromised Total Loss of vessel.
Including Affiliated Companies Clause.
Subject to New York Suable Clause.
Subject to Service of Suit Clause (New York).
Including American Free of Capture and Seizure Clause.
Subject to Cancelment Notice Clause, as attached.

CANCELLING RETURNS ONLY.

UNDERWRITERS:

Andrew Weir Insurance Co.Ltd.

133a

Plaintiff's Exhibit 9.

CANCELMENT NOTICE CLAUSE

Whereas (notwithstanding anything in this Policy to the contrary) Credit has been given by Sir William Garthwaite (Insurance) Limited (hereinafter called the Brokers) for premiums due to them hereon it is hereby agreed between the Assured and the Brokers that in the event of the premium or any instalment thereof not having been received by the Brokers as soon as it has become due to them and/or in the event of the Assured not having paid the premium or any instalment thereof prior to the expiry of the five days hereinafter mentioned the Brokers are hereby authorised by the Assured on the expiry of five days from dispatch to the Assured of a telegram demanding payment to cancel risk under this Policy from expiry of the aforesaid five days or from any later date at the sole discretion of the Brokers and on such cancellation the Underwriters shall not be responsible for accidents that can be proved to have happened after such cancellation and the Brokers may collect and retain any return premium hereon. In such case Underwriters hereby agree to cancel and return to the Brokers any premium that may have been then already received by Underwriters in excess of *pro rata* premium up to cancelling date or if the premium shall not then have been paid to the Underwriters they shall receive from the Brokers the balance of premium up to the said cancelling date. In the event of the interest hereby insured being a Total, Constructive, Arranged or Compromised Total Loss from any cause whatsoever any premium (including all future instalments) unpaid to the Brokers shall immediately become due and payable and Brokers shall be entitled to take credit therefor. This clause shall not prejudice or affect the Brokers' lien on this Policy for any amount remaining due to them whether in connection with this Policy or otherwise or any other rights of the Brokers against the Assured.

143 B RaK 23879

190a

Plaintiff's Exhibit 9.

COPY

LONDON : 4th February 1964

ADDENDUM *attaching to and forming part*

of Cover Note *dated* 28th November 1963

per : "[illegible]" ex "SEA STAR" *on :* [illegible] &c.

It is agreed that loss, if any, hereunder is payable to Assured, or order, and not as indicated herein.

U.K. INSURANCE LTD.

FORM 12

1/3c

Plaintiff's Exhibit 9.

COPY

LONDON [illegible] February 1964

ADDENDUM *attaching to and forming part*

of Cover Note *dated* 28th November 1963

per : "[illegible]" ex "[illegible]" *on :* [illegible] &c.

It is agreed that loss, if any, hereunder is payable to Assured, or order, and not as indicated herein.

[illegible] INSUR[illegible] LTD.

ORM 12

/3311

Plaintiff's Exhibit 9.

LOSS PAYABLE CLAUSE:

Loss, if any, payable to The Marine Midland Trust Company of New York, as Mortgagee, for distribution to itself and the borrower, as interest may appear except that losses not exceeding $ 25,000 any one accident or occurrence may be paid directly to the borrower until the Marine Midland Trust Company of New York shall otherwise direct.

for and on behalf of
SIR WILLIAM GRENFELL (INSURANCE) LTD.

Manager
Marine Department.

183E

Plaintiff's Exhibit 11, Correspondence

Ref. No. 1903 December 7th, 1964

Salvage Association, London
100 William Street
New York, New York

Attention: Mr. E.R. Jones

Re: S.S. "PANOCEAN"
STRUCK LOCKS-FEB. 7TH/8TH, 1964
CREW NEGLIGENCE-FEB./APR., 1964
HEAVY WEATHER-FEB./APR., 1964

Gentlemen:

We refer to your survey report No. 18,807 dated August 17th, 1964, copy attached, and enclose herewith for your approval the following repair invoices:-

1) Four accounts of Maryland Shipbuilding & Drydock Company covering:

A)	Services	$ 6,200.00
B)	Struck Locks	2,604.00
C)	Crew Negligence	92,403.00
D)	Heavy Weather	53,799.00

2) New Star Ship Supply Company account in the amount of $767.65 covering lifeboat equipment, inclusive of covers, mentioned on pages 24/25 of your report.

3) New Star Supply Company account in the amount of $6,764.90 covering various items of ship's equipment mentioned on page 25 of your report.

Plaintiff's Exhibit 11.

Salvage Association, London December 7th, 1964

We would appreciate it if you would kindly approve these invoices in the usual manner and return them to us.

Thank you for your kind attention to this matter.

Very truly yours,

GREAT EASTERN ASSOCIATES, INC.

J. H. Wood

JHW:pt.
original enclosed
in triplicate
Encls.

Plaintiff's Exhibit 11.

Ref. Nos. 1903, 1942 January 5th, 1965

Trans Marine Shipping Agency, Inc.
52 Broadway
New York, New York

Re: S.S. "PANOCEAN"
STRUCK LOCKS-FEB. 7TH/8TH,1964
HEAVY WEATHER-FEB./APRIL,1964
CREW NEGLIGENCE-FEB./APRIL,1964
REPAIRER'S NEGLIGENCE-JUNE,1964
CREW NEGLICENCE-JUNE18TH,1964
STRANDING-JUNE 22ND,1964

Gentlemen:

We have made a study of the sundry documents and accounts you have so far submitted in connection with the captioned and find we will require the following additional accounts or information in order to proceed with the adjustment. For convenience, we will deal individually with each Port of Call.

AZORES

1. Please advise the date of payment for Bensaude & Co. account for $495.91.

2. The fuel oil purchased at this Port (cost $4,552.44) was billed to Grundvig Chartering. In order to show Underwriters that Vessel Owners were debited by Charterers for this fuel, please let us have the off-hire statement of the Charterers.

3. Please advise how much fuel and fresh water this Vessel had on board upon departure from Flushing, Holland on February 24th, 1964.

4. Please let us have a voyage itinerary of the Vessel from November, 1963 until arrival in Holland during February, 1964. This should show all loading, discharging and bunkering ports during this period.

Plaintiff's Exhibit 11.

Trans Marine Shipping Agency, Inc. January 5th, 1965

BERMUDA

1. As in 2 above, we must have evidence to show Underwriters that the fuel bill ($3,972.92) was debited to Owners and therefore, please let us have the Charterer's off-hire statement.

2. Date of Payment for W.E. Meyer & Co. account for $938.22.

BALTIMORE

1. We understand you will obtain a credit from New Star Ship Supply Co. in respect to their overcharge on the 8" manila rope (p/o account for $6,764.90). Please advise us of the amount of credit obtained.

2. It is noted that you are claiming the following repairs:-
   a) Filter Pump repaired by Maryland Drydock at cost of $229.00.
   b) Main Engine piston rings and pop valves repaired by Neptune Machine at a cost of $1,043.00.

   Please have Onwers' surveyor advise why these damages were not brought to Underwriters' surveyor's attention for incorporation in his report, also have him indicate the log entries which record or make reference to these damages, since, if we are to obtain reimbursement for same, we must give Underwriters an adequate explanation as to why these damages are properly claimable. It might also help if we were supplied with a Bureau Veritas report covering the last previous examination of these parts.

3. Please have Owners' surveyor explain, in full detail, what work was accomplished in connection with each of the following accounts:-
   a) Neptune Machine - Labor - $525.00
   b) Georgios Karaisaridis - Labor - $301.00
   c) Th. Corros - Labor - $464.50

   Again these three accounts are not mentioned in Underwriters' report.

4. Please let us have a copy of Owners' repair account at this port.

5. Please advise the following:-
   a) Exact time and date of completing discharge of Baltimore cargo.
   b) Exact time and date of arrival at Maryland drydock.

313

Trans Marine Shipping Agency, Inc. January 5th, 1965

6. We realize the boilers were shut down during most of the repair time spent at Baltimore; however, there was probably some fuel consumption in steaming up the boilers prior to departure. In this connection, please let us have the following:-

   a) Statement of Master or Chief Engineer indicating the amount of fuel consumed while undergoing repairs. It would be best if this is shown in a schedule giving the respective dates and amounts consumed.

   b) Fuel oil bill for the first purchase of fuel after repairs were completed. Alternatively, the Charterer's off-hire statement.

7. How much (p/o $92,403.00) was charged by the repairers' just to isolate the port boiler so that the Vessel could proceed from Baltimore.

8. Bureau Veritas account for report No. SS 5582. This report, which we have, covers repairs to the main engine and auxiliaries.

TELEMOTOR REPAIRS IN CHESAPEAKE BAY-JUNE 13TH-16TH, 1964

1. The only items you have so far made available to us in connection with this incident are:-

   a) Deck and Engine Log extracts

   b) Bureau Veritas report 5581 and account ($635.00). Since the Bureau Veritas report states that the telemotor failure was resultant on the type or quality of packing just previously installed by Maryland Drydock, we assume you do not intend making any claim for repairs but instead are proceeding against the negligent repairers for all losses sustained by the Vessel. Please let us have your advices that our assumption is correct.

PORT EVERGLADES

1. Deck and Engine log extracts which cover the period spent in Port Everglades from June 30th until final sailing on July 12th, 1964.

2. A statement of the Master or Chief Engineer giving the following fuel and water consumption details:-

   a) Fuel oil and water consumed from time of deviation on June 22nd at 1200 until arrival at the Port Everglades seabuoy on June 22nd at 1930.

   b) Fuel Oil and water consumed while stranded from June 22nd (2200) to June 26th (2006). Of the amounts so indicated, how much fuel and water represents that consumed solely in efforts to refloat.

Plaintiff's Exhibit 11.
- 4 -

Trans Marine Shipping Agency, Inc. January 5th, 1965

c) Fuel oil and water consumed during the repairs at Port Everglades.

3. Owners' surveyor's report which we understand will refute, in detail, the various objections to the damages indicated by Underwriters' surveyor's report JX 695. Please also let us have Owners' surveyor's account for attendance at repairs.

4. Please obtain a letter from Merrill-Stevens Dry Dock Co. indicating the savings in delay, expressed in number of days, to the Vessel afforded by working overtime amounting to $873.00.

5. Please have Owners' surveyor explain, in full detail, what work was accomplished by Charles Pagliamite for which he received the sum of $275.00.

6. Accounts for Owners supplied H.P. packing installed by the crew on various dates during June, 1964.

7. Statement of Master or Chief Engineer indicating the amount of diesel oil used in attempting to fire the boilers while stranded.

8. Account for diesel oil supplied on June 27th, 1964.

9. Account for first purchase of fuel oil subsequent to repairs. Atlernatively, the Charterer's off-hire statement.

10. Account for Owners' supplied piston rings for the feed pump..

11. Account for Owners' supplied valve deck for air pump.

12. Account(s) for Owners' repairs accomplished at this port.

13. Bureau Report No. 5509 and account.

14. If any charges were incurred in replacing the anchors and chains back aboard the Vessel, please let us have all the applicable accounts.

NEW ORLEANS

1. It is noted that you wish to claim, out of Owners repair account for $3,814., the sum of $1,619.00 for repairs on five (5) poppet valves and six (6) boiler door hinges. Please have Owners' surveyor explain why these damages were not brought to the attention of

Plaintiff's Exhibit 11.

Trans Marine Shipping Agency, Inc. January 5th, 1965

Underwriters' surveyor. Also please have him give full details of this repair's relationship to the crew negligence of June 18th or the grounding of June 22nd.

2. Please have Owners' surveyor explain why the Vessel's spare piston rod was installed instead of straightening same as recommended by Underwriters' surveyor.

3. Owners' surveyor's account.

As soon as you supply us with the foregoing, we can proceed further on the adjustment.

Very truly yours,

GREAT EASTERN ASSOCIATES, INC.

J. H. Wood

JHW:pt.

135-

Plaintiff's Exhibit 11.

WHITEHALL 4-6547-8
SHOREROAD 8-3341 (NITE)

CABLES: MIKEMARKS
TELEX: 222647

TRANS MARINE SHIPPING AGENCY, INC.

STEAMSHIP AGENTS — MANAGING OPERATORS
52 BROADWAY
NEW YORK, N. Y. 10004

MARINE SURVEYORS AND
CONSULTING ENGINEERS

REP. SURVEYOR FOR
HELLENIC REGISTER OF SHIPPING

Your Ref: No. 1903 & 1942 January 30,1965

Great Eastern Associates, Inc.
60 Pine Street
New York City,N.Y.

Re: S.S."PANOCEAN"
Various Casualties

Gentlemen:

We acknowledge receipt of your letter dated January 5th,1965 and as per your request contained therein we are pleased to supply you with the following information and documents:

A Z O R E S

1/ The a/c of Bensaude & Co. for $495.91 was paid on 6/22/64.
2/ No Off Hire was submitted by the Charterers for the charter in question. In fact Charterers have declined altogether to settle the hire due to Owners for this particular month as well as the remaining period of the time charter. For your guidance please be advised that the entire matter has been referred to Arbitration.
3/ Upon departure from Flushing,Holland on February 24th,1964 the vessel had 495 tons of Fuel Oil and 357 tons of water.
4/ Enclosed please find itinerary of the vessel for the period Nov.20,1963 to Feb. 23,1964.

B E R M U D A

1/ Please refer to answer of item # 2 "Azores".
2/ The a/c of W. B. Meyer & Co. in the amountof $938.22 was paid on 3/25/64.

B A L T I M O R E

1/ The amount of credit obtained from New Star Ship Supply Co. was $1,116.00
2/ a & b- In answer to your inquiries we attach hereto Owners Survey report # HMD-309.
3/ Sameas above.
4/ Attached herewith please find Owners repairs account.
5/ a- The exact time and date of completing discharge of the Baltimore cargo is 4/9/64 1900 hrs. and Fuel Oil on board at the time was 63 tons.
b- Vessel arrived at Maryland Drydock on 4/9/64 2100 with 81 tons of Fuel Oil.
6/ Attached please find Engine Log Abstracts indicating Fuel oil consumed during steaming up the boilers prior to departure. In support of our statement amounting to $401.51 please find bunker bill for the first purchase of fuel oil after repairs.
7/ The repairers charghed only for the cost of material which was purchased from the yard (insulation for the Starboard Boiler only) approximately $615.00.

201a Plaintiff's Exhibit 11.

Great Eastern Associates, Inc. January 30,1965

c/ We attach hereto a/c for Bureau Veritas Report # 5502 in the amount of $411.00 as well as revised report for your consideration.

TELEMCTOR REPAIRS June 13-18,1964

1/ Owners wish to make claims for the cost of repairs and at the same time proceed against the neligent repairers. The repairers have been held responsible for all losses suffered by the Owners as a result of this casualty and we shall keep you closely advised of developements reimbursing the Underwriters when recovery is effected.

PORT EVERGLADES

1/ Attached please find Deck and Engine Log Extracts for the period June 30th to July 2th,1964 together with a/c for translation fees paid in the amountof $75.00.
2/ Transmarine's statement giving details of (a) Fuel Oil and water consumed from time of deviation until arrival at Port Everglades and (b) Fuel and Water consumed while stranded from June 22nd to 26th,1964. (c) Fuel Oil and Water consumed during repairs at Port Everglades. In support of the above we enclose Masters statement indicating specifically the quantity of Fuel Oil and Water consumed at each particular situation.
3/ We attach Owners Surveyors report dealing with various objections raised by Underwriters Surveyor in his report JX 695 together with his accounts in the amount of $3,369.69.
4/ Owners Surveyor's report indicates indetail the savings in delay, expressed in number of days to the vessel afforded by working overtime in the amount of $873.00.
5/ Owners Surveyor's report explains what work has been accomplished by Charles Pagliamite for the sum of $275.00. Also please find additional receipt for $25.00, receipt for $250.00 is in your hands.
6/ Attached please find a/c of Trans Marine Shipping Agency in the amount of $96.00 for Owners supplied H. P. Packing installed by the crew during June 1964.
7/ Please refer to our statement prepared in answer to items # 2 a-c.
8/ Attached please find a/c in the amount of $336.34 for diesel oil supplied on June 27,1964.
9/ Account for fisrt purchase of Fuel Oil subsequent to repairs.
10/ A/C of Trans Marine Shipping Agency in the amount of $28.00 for Owners supplied Piston Rings for Feed pumps.
11/ A/C for Owners supplied Valve deck for air pump is included in the accountof Neptune dated July 21,1964 in the amount of $885.00 which is in your hands.
12/ No Owners repairs were made.
13/ Bureau Veritas report # SS-5509.
14/ No charges were incurred in replacing the Anchors and chains back on board the vessel.

NEW ORLEANS

1/ Attached is Owners Surveyor report explaining in detail why these damages were not brought to the attention of the Underwriters Surveyor as well as details of this repairs relationship to the crew negligence of June 16th,1964.
2/ In the surveyors report there is an explanation as to why the Vessel's spare piston rod was installed.
3/ Owners surveyors account in the amount of $1,632.10 is enclosed herewith.

Trusting you will find the enclosed documents in order we are,

Very truly yours,

TRANS MARINE SHIPPING AGENCY, INC.

J. Stathes p.p. O.N

Plaintiff's Exhibit 12, Cable

TG

ITT18

GREATRN 42078885123459+

063ITT G21.42

GARTHWAITE LDN3/4/65

285/849 FIGURE 233000 M103 WAS ONLY ESTIMATE ASOF JAN22 STOP ACTUAL ACCOUNTS NOW INHAND TOTAL 255446 BEING AZORES DISBURSEMENTS 538.15 VESSEL ALLOWANCES 2380.29 BERMUDA DISBURSEMENTS 1028.60 ALLOWANCES 3166.67 BALTIMORE REPAIRS 165582.17 DISBURSEMENTS 11097.96 SURVEYFEES SAL CLASS AND OWNERS 13151.10 ALLOWANCES 10095.42 PORT EVERGLADES REPAIRS 7431. DISBURSEMENTS 5147.74 SURVEYS 4559.61 ALLOWANCES 4987.93 NEW ORLEANS IN JULY REPAIRS 9647.90 DISBURSEMENTS 2095.16 SURVEYS 1964. NEWORLEANS IN SEPTEMBER TOWAGE 6529.08 DISBURSEMENTS 3851.91 SURVEYS 2192STOP CASUALTIES COVERING EXPENDITURES AZORES THROUGH NEW ORLEANS IN JULY ARE STRUCK DOCKS FEB 1964 H/W AND CREW NEGLIGENCE FEB/APR DEVIATIONS DETENTIONS AZORES BERMUDA BALTIMORE VARIOUS DATES MARCH/JUNE REPAIRERS NEGLIGENCE JUNE CREW NEGLIGENCE JUNE 18 STRANDING JUN 22 DETENTION PORT EVERGLADES JUNE JULY ALL SAME VOYAGE STOP EXPENDITURES NEW ORLEANS SEPT 1964 COVER CREW NEGLIGENCE SEPT 20 AND CONSEQUENT TOWAGE LOUISIANA STOP TOTHIS FIGURE MUST BE ADDED 188253 FOR UNREPAIRED DAMAGE MAKING GROSS CLAIM 444246 AGAINST WHICH UNDERWRITERS RECEIVE CREDIT FOR ADVANCE OF 126794 AND ESTIMATED GA RECOVERY FROM CARGO 15000 LEAVING BALANCE DUE 302452.

Plaintiff's Exhibit 15, SAL
report 8/17/64

SALVAGE ASSOCIATION, LONDON

"IN ACCEPTING THIS REPORT OR CERTIFICATE IT IS AGREED THAT THE EXTENT OF THE OBLIGATION OF THIS ASSOCIATION WITH RESPECT THERETO IS LIMITED TO FURNISHING A SURVEYOR BELIEVED TO BE COMPETENT, AND IN THE MAKING OF THIS REPORT OR CERTIFICATE THE SURVEYOR IS ACTING ON BEHALF OF THE PERSON REQUESTING THE SAME. AND NO LIABILITY SHALL ATTACH TO THIS ASSOCIATION FOR THE ACCURACY THEREOF"

100 WILLIAM STREET

NEW YORK, N. Y. 10038

Cable Address "WRECKAGE" New York

August 17, 1964

SURVEY REPORT NO. 18807

ADVANCE ADVICE NO.

This is to Certify

that the undersigned Surveyor at this port did at the request of

Messrs. Great Eastern Associates, Inc., 80 Pine Street, New York 5, New York,

and on behalf of the Underwriters concerned, survey the

S. S. "PANOCEAN"

4,085 Gross Tons of Panama
(Owners: - Transmarine Shipping Agency)

for the purpose of ascertaining the nature and extent of the damage alleged to have been sustained:-

FIRST On February 7th and 8th 1964 in consequence of the Vessel striking a lock wall at London, England.

SECOND Between February 24th and April 3rd 1964 in consequence of alleged crew negligence, while the Vessel was on voyage from Flushing, Netherlands, to Baltimore, Md.

THIRD Between February 24th and April 3rd 1964 in consequence of the Vessel encountering heavy weather while on passage from Flushing, Netherlands to Baltimore, Md.

For further particulars, please refer to the Vessel's Log Books and log extracts copied below:-

Plaintiff's Exhibit 15.

1st Casualty - Striking Lock Wall - February 7/8th 1964

Febr. 7th	London		Pilot O/B
	"		Anchor aweigh Tug made fast
	"	X	Entered locks, while coming alongside the locks vessel made contact with dock on the port side in way of No. 4 hold. No leaks appeared.
			Out of locks, Tug dismissed
			Vessel made fast alongside Pier No. 5 (Tilbury)
			Stevedores onboard, Commenced discharging
Febr. 8th	"		Pilot O/B
			Tug made fast SBE
			Vessel cast off pier
		X	Entered locks, during docking of vessel in locks the stbd. midships side struck the dock.
			After inspection found a heavy indents to shell plate in way of Engine room.
			No leaks appeared.
			Out of locks
			Tug dismissed Change pilots, dense fog, proceeding with moderate speed.

1 8 8 0 7 (2)

2nd Casualty - Alleged Crew Negligence - February 24th-April 3rd 1964

ENGINE LOG BOOK ABSTRACT

DATE	TIME	REMARKS
Febr. 24	1145	Flushing Pilot left.
Febr. 25	1130	During the transfer of water from the tanks into the hot well by mistake the valve left opened and a large quantity of water was lost.
Febr. 27	0007	Order from the bridge due heavy weather, reduce revolutions. Engine is suffering.
Febr. 28	2040	During the transfer of fuel owing to heavy rolling and pitching of the vessel by mistake fuel was pumped out at sea.
Febr. 29	0155	Order from bridge, increase revolutions because vessel is not under command. Much vibration of steering engine and rudder.
	0600	Sounding of the fuel tanks were taken and it was found that the lost fuel oil by mistake is about 82 tons.

Plaintiff's Exhibit 15.

Mar. 1		Master informed that the remaining fuel on board is not sufficient to reach our destinations.
Mar. 2		Evaporator in use continuously. Use of seawater necessary.
Mar. 3		Evaporator in use continuously. Use of seawater necessary. Boilers blow out.
Mar. 4	0650	Arrived Azores, for bunkers and boiler water.
Mar. 9	0125	Order from the bridge due to heavy weather increase revs. The ship is rolling very heavily, propeller out of water, engine racing - terrible vibrations aft end of vessel.
Mar. 10	0215	Due to heavy rolling the inboard generator lost the oil and stopped, with damaged to the bearings. Outboard generator put in service. Stbd. fwd. Fuel Oil heater leaking.
Mar. 13	X 1850	Blackout due to main switchboard damage from sea water coming from the skylight. Wires and connections grounded from water, temporary wiring and connections made.
	2120	Order from bridge to prepare the scotch boiler because due to heavy weather the vessel is steering very hard. Preparation of scotch boiler; Engine is suffering heavily due to bad weather and dangerous rolling; some of the lubrication pipes of the main engine were broken.
Mar. 14	0130	Boilers feed water system (Filtration system) damaged and disconnected. Due to very heavy weather the engine is full open. Strong unusual noises heard from the cylinders and valves. Port boiler disconnected due to damages. Scotch boiler in service. Steaming with starboard and scotch boilers.

Plaintiff's Exhibit 15.

18807 (3)

Engine Log Book Abstract (Continued)

DATE	Time	
Mar. 14 (Continued)		
	0200	Fuel and waters flooded the engine bilges. Much soot and smoke in engine room. During the transfer of fuel oil and owing to confusion and panic in the engine room from the dangerous weather fuel was pumped by mistake in the bilges and flooded the floor. State of engine room was very dangerous, all engine crew in alarm for emergency. Use of sea water to boilers due shortage.
	0400	The pressure was lost in the steering gear and the bridge reports that the steering of the vessel is very difficult Evaporator in use. The scotch boiler is leaking and salt accumulation observed in boilers water.
	2300	Strong noises heard from the valves of the engine and the packing is leaking steam heavily, also unusual strong noises heard from the engine cylinders.
Mar. 15	0400	The propeller is turning out of the water and heavy knocks come from the tail shaft and the tail shaft stern gland is leaking a lot of water. Two aft line shaft bearing heating-bolts loose tightened.
	0800	The main thrust of the engine is loosing the oil from covers and bolts found loose - made tight - added oil.
	0800	Evaporator continuously in service. Use of sea water. Salt accumulation observed in boiler water.
Mar. 16	1300	Soundings were taken from the fuel oil tanks and it was found that the lost of fuel due to mistake is about 45 tons, and the water about 73 tons. Engine room bilges full of water.
Mar. 17	0400	Main circulation pump is working hard. Condenser hot. Vacuum 20. Evaporator in use continuously. Thrust running hot. Added oil.
	2000	Reported to the Master that the remaining fuel and boiler water aboard is not sufficient to reach Baltimore. Oils appeared in boilers feed water.
Mar. 18	0800	Cleaning of the evaporator. Condenser hot - can't get full vacuum.
Mar. 19	1040	Starboard boiler disconnected due to damages. Much soot and smoke in engine room. Steaming with the scotch boiler.
Mar. 20	2330	Port boiler repaired and both starboard and port boilers were put in service. Scotch boiler disconnected. Boilers blown out. Thrust hot - bolts found loose -tightened. Two aft line shaft bearings knocking - tightened. Bolts. Main condenser hot - main engine knocking excessively, running warm.

Plaintiff's Exhibit 15.

Mar. 22	0400	Boilers blown out.
Mar. 23	0400	Blown out boiler.
Mar. 24	1500	Pilot on board, entering for bunkers and boiler water.
Mar. 25	1400	Port boiler disconnected and repaired.
Mar. 26	1620	Port boiler in service.

1 8 8 0 7 (4)

Engine Log Book Abstract (Continued)

DATE	TIME	
Mar. 27	1320	Stop engine due to boilers electric fan. Renew brushes and cleaned.
	1425	Boilers fan repaired - full ahead.
Mar. 27	1250	Left Bermuda.
Mar. 30	0845	Starboard boiler disconnected due to loss of water, extensive damages. The Master was informed.
	1200	In use port and scotch boilers. Due to heavy pounding of the ship the main circulation pump was losing the suction, the vacuum was decreased and the main condenser overheated. Reduced revolutions. Knocks in the tailshaft - two aft line shaft bearings hot and vibrating. Bolts loose - made tight. Boilers blown out.
Mar. 31	0400	Boilers blown out.
	2000	Main circulation pump is working hard. Condenser hot. Main engine knocking - running warm, much vibrations with rudder and steering engine.
	2400	Boilers blown out.
Apr. 1	2400	Boilers blown out.
Apr. 2	0400	Observed high consumption of water of the scotch boiler. Two aft line shaft bearing vibration - tightened bolts - rudder banging excessively. Boilers blown out.
	0515	Pilot on board. Cape Henry
Apr. 3	0725	Arrived Baltimore. - The Chief Engineer.

S. S. PANOCEAN
PANAMA

Plaintiff's Exhibit 15.

3rd Casualty - Heavy Weather - February 24th - April 3rd 1964

S/S PANOCEAN YEAR: 1964

DECK LOG ABSTRACT

DATE	REMARKS
	AT PORT FLUSHING, NETHERLANDS
Febr. 24	Pilot left. Full away destination Baltimore. W/HINDER A/B Moderate Sea, visibility poor.
Febr. 25	Noon position: Lat. 49,42 N Lo. 2,35 W. seas moderate, dis. 236 time 25-10 av. speed 9,45 Ch. Engineer reports X that due to engine crew mistake boiler water was pumped into the engine bilges. Moderate sea, fresh winds, vis. moderate.
Febr. 26	Noon position: Lat. 48, 10 N Lo. 6,14 W dist. 175 time: 24-00 av. speed 7,29, gale winds, vessel rolling very heavily and quickly. Vis. poor. Very rough sea whole gale winds, vessel rolling very heavily and quickly.

18807 (5)

DECK LOG ABSTRACT (Continued)

DATE	REMARKS
Febr. 27	Reduced revolutions. Noon position: Lat. 46.52 N lo. 09.01 W. dist. 138 Time 24-00 av. speed 5,75. High seas, and heavy swell, heavy waves breaking violently on deck. X Heavy waves breaking on deck split and damaged the tarpaulins of hatches #1-2-3. Further speed reduction. Heavy X waves pounding on deck broke and carried away both ventilators of #3 hold. Weather conditions remain the same, vessel rolling very heavily, rain.
Febr. 28	Slight improvement of weather. Noon position: Lat. 44.54 N Lo. 12.22 W. dist. 185 time: 25-00 av. speed 7,40. Seas high, gale winds vessel rolling and pitching heavy rain. Heavy waves breaking on deck broke and carried away part X of the starboard steel rails on #3 dec. X Ch. Engineers reports that during the transfer of fuel oil from DBTanks to Settling tanks a quantity of fuel oil was pumped out by mistake. Slight improvement of weather.

Plaintiff's Exhibit 15.

Febr. 29

Increased revolutions.
Ch. Engineer reports that the quantity of fuel oil which was pumped out at sea is about 82 tons.
Noon position: Lat. 43.07 N lo. 15.41 W dist. 176 time 24-00 av. speed 7,35 Gale winds, seas high, vessel rolling and pitching and pounding heavily.
X Upon inspection of deck for possible further heavy weather damages and found the following: In Forecastle the fire hydrant was broken and taken away, one cargo light on the fore mast, and the port and starboard ladders were bent. Steam pipe guards broken, bent and partly taken away. Two tarpaulins of #1 torn in pieces, also one of the #2 hatch. Steam pipes of winches bent, stern navigation light broke and taken away, tarpaulin of #4 hatch torn badly and possibly other damages not immediately discernible.
Seas high, vessel rolling and pitching.

Mar. 1

For the safety of the crew, vessel and cargo it will be necessary to proceed to nearest port in AZORES to replenish bunkers, in view of the continued bad weather and loss of fuel oil and boiler water.
Noon position: Lat. 41.51 N lo. 17.53 W dist. 125 time 24-00 av. speed 5,21, very rough seas vessel suffering rolling and pitching heavily. Very rough seas gale winds.

Mar. 2

Noon position: Lat. 40.04 N lo. 21.01 W dist. 179 time 24-00 av. speed 7,46 Very rough seas, vessel rolling heavily, vessel awash, heavy rains.
Weather conditions remain same, vessel pounding. Clocks retarded one hour.

Mar. 3

Noon position: Lat. 38.23 N lo. 23.52 W dist. 170 time 25-00 av. speed 6,80. Rough seas heavy rolling.
Very rough seas, heavy rolling.

DECK LOG ABSTRACT (Continued)

DATE	REMARKS
Mar. 4	Very rough seas, heavy rolling. Rough seas vessel pitching and rolling. It is necessary to proceed to San Miguel AZORES for bunkers and boiler water replenishment in view of continued bad weather. Arrived off San Miguel harbor awaiting bunkering orders. Due to bad weather and not availability of berth we are rounding the Island with reduced speed, awaiting orders. Entering S. Miguel harbor without pilot. Pilot arrived and ordered the vessel to leave the harbor, no berth available. Left the harbor and continue rounding the Island awaiting berthing orders.
Mar. 5	Entering the harbor. Pilot boarded. Anchored for swinging the vessel. Made fast alongside the S/S ARAUJO for taking bunkers. Port authorities boarded. Started receiving bunkers and water. Finished receiving bunkers. Received 247 tons. Finished receiving water. Received 270 tons. Pilot on board. Let go, away from S/S ARAUJO Pilot left Full away to our destination
Mar. 6	Noon position: 37.45 N lo. 28.02 W dist. 115 time 14-55 av. speed 7,8 Rough seas, strong wind, vessel rolling heavily. Weather conditions remain same as above.
Mar. 7	Rough sea strong winds, Noon position: Lat. 37.40 N lo.32.03 W dist. 192 time 24-00 av. speed 8,00 Rough sea, strong winds, vis. good.
Mar. 8	Noon position: Lat. 37.40 N Lo. 36.13 W dis. 198 time 24-00 av. speed 8,3 Rough sea and heavy swell. Very rough sea gale winds heavy waves pounding on deck, heavy rolling, rain. Whole gale winds seas very high and very heavy swell. Heavy waves breaking violently on deck vessel suffering. Steering difficult much noise aft end of vessel.
Mar. 9	Reduced speed in order to avoid damages. Noon position: Lat. 37.43 N lo. 38.45 W dis. 125 time 25-00 av. speed 5,00 very high seas and heavy rolling and pitching. Storm, very high seas vessel rolling and pitching dangerously high waves breaking with force on deck covering the bridge. X High waves covering the whole bridge broke and took away two lifebuoys from the upper bridge. Both tarpaulin covers of port and starboard lifeboats were torn completely by the waves. Inspection for further damages impossible due to very high seas and stromy winds. Weather worsening.

Plaintiff's Exhibit 15.

Mar. 10 — Vessel rolling very dangerously in the phenomenal seas. BLACKOUT due to inboard generator fault. Outboard in service. Noon position Lat. 37.52 N lo. 41.16 W dist. 120 time 24-00 av. speed 5,000 Storm continues, vessel suffers.

18807 (7)

DECK LOG ABSTRACT (Continued)

DATE		REMARKS
Mar. 10 (Continued)		Phenomenal seas, stormy winds high swell. Same as above weather conditions.
Mar. 11		Noon position: Lat. 37.33 N lo. 42.23 W dis. 56 time 24-00 av. speed 2,3 Storm conditions continue. Very high seas vessel rolling and pitching heavily.
Mar. 12		Noon position: Lat. 37.24 N Lo. 44.40 W dis. 115 time 24-00 av. speed 4,80 high seas gale winds heavy rolling, rain, vis. moderate.
Mar. 12	X	Same weather, excessive water found in No. 1 and 3 cargo hold bilges. Pumped out.
Mar. 13		Noon position: Lat. 37.25 N lo.46.45 W dis. 101 time 24-00 av. speed 4,2 heavy swell, heavy rain, vis. bad. Weather worsening, high seas, gale winds. Engine ordered to prepare and S.B. auxiliary boiler in emergency because vessel is not under command and steering very hardly. High seas, gale winds vessel pounding and rolling heavily.
Mar. 14		Vessel not under command due to massive great waves pounding the vessel all over. Very dangerous rolling. Top mast
	X	No. 2 twisted and bent. Much difficult steering, loud knocks in steering engine and rudder.
	X	Ch. engineer reports that owing to heavy and very dangerous rolling, port boiler damaged and disconnected. Steaming with starboard and scotch boiler connected. Starboard
	X	aluminum accom. ladder taken away.
	X	Ch. engineer reports that due to the state of confusion and panic in the engine room owing to dangerous rolling, and while transferring fuel oil from fuel tanks a great quantity of fuel oil was pumped in the bilges and flooded the engine and boiler rooms. Ch. engineer reports that the condition and state of the engine room is in danger. Water and fuel during the confusion was pumped in the engine room. Vessel is in danger and not under command. Damage to steering gear, massive waves covering the ship all over. Radio officer S.BY on radio room for emergency. Ch. Engineer reports that the engine room is flooded with fuel and water.

Plaintiff's Exhibit 15.

Weather worsening vessel is covered by the mountainous
× waves. Sea water fore bosun stores.
× Blackout due to main switchboard and damages from sea water pouring into the engine room from the skylark. Sea water found crew-accommodation aft. State of vessel very dangerous, storm continues, vessel almost completely stopped by the waves.

Mar. 15

× Heavy waves smashed seven drums of oil lashed on 2nd deck starboard side aft, and oil was spilled all over the decks.
× On boat heavy waves crashed against the welding machine being lashed against the rails. Diff. steering, knocks. Storm continues, vessel pounding and rolling heavily. Noon position: Lat. 37.20 N lo. 50.33, W dis.93 time 24-00 av. speed 3,87. Same weather as above.
× Slight improvement of the weather. Inspection on deck for possible further damages was carried out and found the following poop deck emergency steering gear broke at the base, emergency steering compass and casing broke out and taken away starboard wire spring reel broke off at the base, rails bent, 2 lifebuoys taken away steering gear room ventilator broke off and taken and water entered into the

DECK LOG ABSTRACT (Continued)

DATE	REMARKS
Mar. 15 (Continued)	steering gear room. On main deck aft the galley fan casing broke and damaged the motor, also the whole electrical system on deck was completely damaged. Water entered into the aft poop crew quarters on foreward starboard side, from unknown reasons, also in midships accommodation, and various other damages for which see separate report. Same weather, continue pumping excessive water from No. 1 cargo hold bilges.
Mar. 16	Noon position: Lat. 37.18 N lo. 58.48 W dis. 108 time 25-00 av. speed 4,32 high seas, gale winds, heavy rolling and pitching. Rudder knocking violently. Much difficult steering Ch. Engineer reports that order and command was restored in the engine room. The quantity of lost fuel due to mistake and confusion is 45 tons water about 73 tons.
	High seas, gale winds heavy rolling and pitching. vis. poor. Ch. Engineer reports unusual quantity of water starboard engine room bilges.

Plaintiff's Exhibit 15.

Mar. 17 — Upon inspection of holds sea water was found on #3 hold which was entered from the broken ventilators which were carried away by the waves.
Noon position: Lat. 37.10 N lo. 54.10 dis. 66 time 24-00 av. speed 2.75 weather the same.
After taking soundings it was found that the remaining fuel oil on board is not sufficient to reach Baltimore, and boiler water too, because of the continuing heavy weather.
Weather remains the same.

Mar. 18 — The remaining aboard fuel and water is not sufficient to reach our destination Baltimore, and it is necessary to proceed to nearest port BERMUDA for replenishment.
Noon position: Lat. 37.15 N lo. 53.03 W dis 90 time 24-00 av. speed 3,75 very rough sea and swell. It is absolutely necessary to proceed to the nearest port for bunkers and water replenishment.
In position: Lat. 37.15 N lo. 57.00 W this time altered course heading to Bermuda for bunkers and water.
Rough sea, heavy rolling, cargo hold bilges No. 1 and 3 pumped out.

Mar. 19 — Ch. Engineer reports damage to starboard boiler, steaming with the scotch boiler.
Noon position: Lat. 36.06 lo. 58.11 W dis 137 time 24-00 av. speed 5,7 very rough sea, vessel rolling.
The engineers continue repairing port and starboard boilers.
Same weather as above.

Mar. 20 — Noon position: Lat. 35.10 N lo. 57.19 W dis 77 time 24-00 av. speed 3,20 very rough sea gale winds, heavy rolling, much knocking of rudder and steering engine. Port and starboard boilers repaired, steaming with both boilers, and disconnected Scotch boiler.
Same weather conditions as above.

Mar. 21 — Noon position: Lat. 34.43 N lo. 6011 W dis 52 time 24-00 av. speed 2,10 very rough sea gale winds, rain, vis. moderate. Same weather as above.

Plaintiff's Exhibit 15.

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DECK LOG ABSTRACT (Continued)

DATE	REMARKS
Mar. 22	Noon position: Lat. 33.31 N lo. 62.30 W dis. 135 time 24-00 av. speed 5,62 gale winds very rough sea and swell, rain, vis. bad.
	Weather conditions remain the same.
Mar. 23	Arrived off Bermuda. Received cable from Bermuda agents, due heavy weather pilotage discontinued. Rounding off Bermuda awaiting orders.
	Rounding off Bermuda awaiting orders.
Mar. 24	Proceeding to pilot station.
	Pilot on board, full ahead.
	Made fast alongside bunkering pier.
	Port Authorities boarded.
Mar. 25	Started receiving water.
	Started bunkering
	Finished bunkering, received 198,5 L/tons
	Continued receiving water.
X	Chief engineer reports that port boiler is leaking, port boiler shut down and is being repaired by the engineers.
Mar. 26	Finished receiving water, repairs to port boiler continued.
	Port boiler repaired, preparation for departure.
	SBE. ready for sailing, awaiting pilot.
	Agents notified us that pilot will board tomorrow morning.
Mar. 27	Pilot on board, let go lines.
	Clear from pier, full ahead.
	Pilot left, full away our destination. Stop engine ch.
X	engineer reports fault to the fan of the boilers.
	Dropped the anchor for repairing the fan.
	The boilers fan repaired, anchor aweigh
	Full away
	Very strong wind, rough sea, rain vis. moderate.
Mar. 28	Noon position: Lat. 33.15 N lo. 67.14 W dis 136 time 22-00 av. speed 6,2 rough sea, strong wind vessel rolling, rain vis. moderate.
	Weather remains the same.
Mar. 29	Noon position: Lat. 34.15 N lo. 69.34 W dis. 125 time 25-00 av. speed 5,00 very rough sea, heavy swell and rolling.
	Weather worsening whole gale winds high seas, heavy massive swell vis. mod. Very high seas shole gale to storm.
X	Mooring line 8" taken away.

Plaintiff's Exhibit 15.

Mar. 30 — X Ch. engineer reported starboard boiler disconnected, out of service as severely damaged due to loss of water. Started the scotch boiler in service.
Noon position: Lat. 35.00 N Lo. 71.18 W dis 9. time 24-00 av. speed 4,00 gale winds very high seas. Gale winds very high seas, heavy swell and rolling.

Mar. 31 — Noon position: Lat. 35.45 N lo.73.05 W dis 99 time 24-00 av. speed 4,10 heavy swell, high seas. High seas, heavy massive swell, rudder and steering hear pounding.

18807 (10)

DECK LOG ABSTRACT (Continued)

DATE	REMARKS
Apr. 1	Noon position: Lat. 36.32 N Lo. 75.10 W dis. 108 time 4-00 av. speed 4,50 very rough sea vessel rolling and pi hing heavily, rain, vis. mod. Loud knocking and much vibrations aft steering difficult. Same weather conditions.
April 2	SBE. proceeding to C. Henry pilot station. Stop engine. Pilot on board. Full ahead for Baltimore under pilot's direction Rainy weather. vis. moderate.
Apr. 3	Stop Engine Slow speed Half speed At Fort Carrol (entrance to Baltimore) two tug boats alongside made fast. Proceeding to pier, changed pilots. Started mooring Port Authorities boarded All fast alongside discharging pier, F.W.E. Pilot left Free pratique granted Gangs aboard started discharging.

Plaintiff's Exhibit 15.

On April 3rd 1964, the Undersigned proceeded to the Pennsylvania Ore Pier, Baltimore, Md., where the Vessel was lying afloat and subsequently to the plant of Messrs. Maryland Shipbuilding and Drydock Company, Baltimore, Maryland, where the Vessel was lying afloat and on drydock and upon examination found and recommended as follows:-

1st Casualty - Striking Lock Wall - February 7/8th 1964

FOUND	RECOMMENDED
Plate G-9 starboard side set in along entire length.	Plate G-9 starboard side to be renewed, inside plate riveted, 21'0" x 4'0" x 20.4# (1714#).
	Internals to be dealt with as found necessary.
	Adjacent edges of plates to be faired.

Print about H-7. Port wheel B.V. may differ

General

Necessary drydocking.

?

Necessary drydocking services to be connected and maintained.

Necessary staging to be erected and afterwards removed.

Necessary coating of new and disturbed work.

Necessary hose testing of affected area.

18807 (11)

The cost of the foregoing repairs, excluding the drydock charges, was agreed with Messrs. Maryland Shipbuilding and Drydock Company in the sum of Two Thousand, Six Hundred and Four Dollars ($2,604.00).

2nd CASUALTY - Crew Negligence - February 24 - April 3rd 1964

PART I

FOUND	RECOMMENDED
Machinery space bilges covered with oil.	Machinery space bilges to be cleaned and certified gas free.
Auxiliary Scotch Boiler	
Subjected to overheating due to loss of water under operating conditions.	Three furnace door fronts, three tube nest door fronts and manholes to be opened for examination of the fire-sides and watersides of the boiler.

Plaintiff's Exhibit 15.

Watersides of boiler heavily fouled with sludge.	Watersides of boiler to be thoroughly cleaned and washed down.
Three combustion chamber interiors heavily scaled and salt adhered to tube sheets.	Thoroughly scale, wirebrush and clean three combustion chambers and tube sheets.
Three furnace interiors heavily coated with salt and scale.	Three furnaces to be chipped and scaled clean of all salt and scale for examination.
	Three furnaces to be trammed.
Port Centre and Starboard furnaces sagged down approximately 2".	Furnaces to be re-aligned.
	Two reinforcing rings to be fitted to each furnace.
All tubes plugged with salt.	All tubes to be cleared of salt.
	Watersides of boiler to be closed up and a hydrostatic test applied.
	Superheater tubes to be removed and replaced.
	Hydrostatic test to be applied to superheater tubes.
<u>Port Outboard Furnace</u>	
Thirty-six (36) plain tubes plugged solid with salt.	Thirty-six (36) plain tubes to be renewed.
Eleven (11) stay tubes plugged solid with salt.	Eleven (11) stay tubes to be renewed.
Twenty one (21) staybolts leaking on firesides.	Twenty one (21) nuts to be removed, staybolt caulked and nuts replaced.
Thirty-five (35) rivets leaking on horse collar.	Thirty-five (35) rivets to be caulked.

Plaintiff's Exhibit 15.

18807 (12)

SECOND CASUALTY
PART I (Continued)

FOUND	RECOMMENDED
Port Outboard Furnace (Continued)	
4'0" of seam leaking at horse collar.	4'0" of seam to be caulked.
One stayrod nut leaking.	One nut to be removed, stayrod caulked and nut replaced.
Center Furnace	
Forty-eight (48) plain tubes plugged solid with salt.	Forty-eight (48) plain tubes to be renewed.
Twenty one (21) stay tubes plugged solid with salt.	Twenty one (21) stay tubes to be renewed.
Fifty one (51) stay bolts leaking on firesides.	Fifty one (51) nuts to be removed, stay bolts caulked and nuts replaced.
Sixty two (62) rivets leaking around horse collar.	Sixty two rivets to be caulked
5'0" of seam cracked at horse collar.	5'0" of seam to be chipped out and welded.
Starboard Furnace	
Twenty seven (27) plain tubes plugged solid with salt.	Twenty seven (27) plain tubes to be renewed.
Seven (7) stay tubes plugged solid with salt.	Seven (7) stay tubes to be renewed.
Seventeen (17) tubes leaking.	Seventeen (17) tubes to be rerolled.
Sixty (60) rivets leaking around horse collar.	Sixty (60) rivets to be caulked.
One (1) stay rod leaking.	One (1) stay rod nut to be removed, stay rod to be caulked and nut replaced.
4'0" of seam leaking at horse collar.	4'0" seam to be caulked.
Nineteen (19) stay bolts leaking in scattered locations.	Nineteen (19) stay bolt nuts to be removed, stay bolts caulked and nuts replaced.

Plaintiff's Exhibit 15.

Outboard side of combustion chamber sheet is buckled in way of stay bolt area.	Twelve (12) staybolts to be removed. Wrapper sheet to be renewed approximately 28" x 50". Twelve (12) staybolts to be renewed. All tubes not renewed to be turbined.
Three sootblower subjected to excessive heat.	Three (3) sootblowers to be removed overhauled and reinstalled.

1 8 8 0 7 (13)

SECOND CASUALTY
PART I (Continued

FOUND	RECOMMENDED
	Hydrostatic test to be applied and boiler examined for any additional leaks. After all repairs, boiler to be chemically cleaned and washed down. Boiler to be closed up with new gaskets and a hydrostatic test applied. Boiler to be steamed, safety valves set and adjusted and boiler left ready for use. Three doors to be removed to shop, faired, insulation to be renewed and doors returned to ship. Access openings to be cut in forward bulkhead for tube removal and installation of reinforcing rings. Two hundred fifty seven (257) air heater tubes to be turbined and cleaned.

Plaintiff's Exhibit 15.

PART II

Starboard Lamont Boiler

Subjected to overheating due to shortage of water, use of raw sea water, heavy accumulation of salt, scale and soot.	Fire and watersides of boiler to be opened for examination. Fire and water sides to be washed down. Inboard and outboard sides, back wall casing, and brickwork to be removed. Air duct casing to be removed. Gratings and piping in way of superheater headers and in way of casing removals to be removed. Superheater tube bank and headers to be removed to shop. Superheater tube bank and headers to be cleaned and hydrostatically tested. Drum internals to be removed for examination, replaced and tested. Economizer tubes to be tested. Forty-five (45) generator tubes to be removed.

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SECOND CASUALTY
PART II (Continued)

FOUND	RECOMMENDED
	Forty five (45) generator tubes to be fabricated and installed. Thirty nine (39) generator tubes to be cropped and part renewed in floor section of tube approximately 12'0" long each, rolled one end, welded other end with two bends. Thirty nine (39) generator tubes to be cropped and part renewed at steam drum approximately 2'0" long each rolled one end, welded other end with one bend.

BEST COPY AVAILABLE

Plaintiff's Exhibit 15.

Hydrostatic test to be applied.

Two side wall tubes to be removed.

Two side wall tubes to be fabricated and installed.

Three side wall tubes to be cropped and part renewed 15'0" long each, rolled one end, welded other end with one bend.

Nine rear wall tubes to be cropped and part renewed approximately 14'0" long each, welded both ends with two bends.

Hydrostatic test to be applied.

Section of casing to be renewed approximately 10'0" x 2'0".

Sootblowers to be removed for examination and reinstalled.

Section of casing frame to be removed for retubing and reinstalled.

Casing frames to be faired.

Casing to be faired.

Two layers 1/4" thick wall board to be renewed.

Side wall brick work to be renewed.

Front and rear wall brick work to be renewed.

Floor brick work to be renewed.

Plaintiff's Exhibit 15.

18807

(15)

SECOND CASUALTY
PART II (Continued)

FOUND	RECOMMENDED
	Economizer brickwork to be renewed.
	Superheater tube bank to be reinstalled.
	Inboard and outboard sides and back casing to be reinstalled with new gaskets.
	Air duct to be reinstalled.
	Piping to be reinstalled and damaged insulation renewed.
	Boiler to be hydrostatically tested.
	Boiler to be chemically cleaned.
	All handhole and manhole openings to be closed up with new gaskets.
	Boiler to be hydrostatically tested.
	Boiler to be steamed, safety valves set and adjusted and boiler left ready for use.
PART III Port Lamont Boiler	
Subjected to overheating due to shortage of water, use of raw sea water, heavy accumulation of salt, scale and soot.	Fire and water sides of boiler to be opened for examination.
	Fire and water sides to be washed down.
	Inboard casing and brickwork to be removed.
	Superheater tube bank and headers to be tested.
	Economizer tubes to be tested.
	Inboard casing and insulation to be replaced.
	Steam and water pipes to be blanked off and valves to be ground for tightness.

Plaintiff's Exhibit 15.

Outboard sides, back wall casing and brickwork to be removed.

Air duct casing to be removed.

Gratings and piping in way of superheater headers and in way of casing removals to be removed.

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SECOND CASUALTY
PART III (Continued)

FOUND	RECOMMENDED
	Superheater tube bank and headers to be removed to shop.
	Drum internals to be removed for examination, replaced and tested.
	Eighty four (84) generator tubes to be removed.
	Eighty-four (84) generator tubes to be fabricated and installed.
	Twenty (20) side wall tubes to be fabricated and installed.
	Sootblowers to be removed for examination and reinstalled.
	Section of casing frame to be removed for retubing and reinstalled.
	Casing frames to be faired.
	Casing to be faired.
	Two layers 1/4" thick mill board to be renewed.
	Side wall brickwork to be renewed.
	Front and rear wall brick to be renewed.

Plaintiff's Exhibit 15.

Floor brickwork to be renewed.

Economizer brick work to be renewed.

Superheater tube bank to be reinstalled.

Outboard sides and back casing to be reinstalled with new gaskets.

Air duct to be reinstalled.

Piping to be reinstalled and damaged insulation renewed.

Boiler to be hydrostatically tested.

Boiler to be chemically cleaned.

All handhole and manhole openings to be closed up with new gaskets.

Boiler to be hydrostatically tested.

Boiler to be steamed, safety valves set and adjusted and boiler left ready for use.

SECOND CASUALTY
PART III (Continued)

General

Feed water system to be chemically cleaned.
Feed water system to be hydrostatically tested.
Steam piping to be hydrostatically tested.
Boilers to be steamed by shipyard.
Necessary staging to be erected and afterwards removed.
All debris to be removed from machinery space.
Necessary removals to be replaced.

The cost of the foregoing repairs was agreed with Messrs. Maryland Shipbuilding and Drydock Company, Baltimore, Maryland, as follows:-

Plaintiff's Exhibit 15.

PART I - Auxiliary Boiler

Thirty Eight Thousand, Five Hundred and Thirty-Six Dollars ($38,536.00).

PART II - Starboard Main Boiler

Fifty Thousand, Five Hundred and Thirty Two Dollars ($50,532.00).

PART III - Port Main Boiler

Repairs were deferred. Cost of opening up the boiler for examination, testing for defects and isolating the boiler to enable the Vessel to proceed was agreed in the sum of Two Thousand, Six Hundred and Eighty Five Dollars ($2,685.00). part 5/A

General items common to all three boilers, Six Hundred and Fifty Dollars ($650.00)

Total cost for repairs, Ninety Two Thousand, Four Hundred and Three Dollars ($92,403.00).

THIRD CASUALTY - Heavy Weather - February 24th - April 3rd 196[illegible]

FOUND	RECOMMENDED	
Forecastle Deck		
Section of fire line distorted and fire hose valve washed overboard.	Section of 1 1/2" fire line shaped and flanged, and hose valve to be renewed approximately 12 ft.	
Two lifebuoys washed overboard.	Two lifebuoys to be renewed by owners (separate bill to be submitted by owners).	X
Port and starboard ladders to forecastle distorted.	Ladders to be removed, heated and faired, and reinstalled.	
Sea water found in Bosun stores. Water leaking around port hole.	Port hole to be removed, faired and reinstalled.	
8" mooring line washed overboard.	8" mooring line to be renewed by owners. (Separate bill to be submitted by owners).	X

Plaintiff's Exhibit 15.

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THIRD CASUALTY (Continued)

FOUND	RECOMMENDED
Main Deck	
Forward main post port cargo light and two cargo lights on mast for #3 cargo hold washed overboard.	Three cargo lights to be renewed.
Hatches Nos. 1 and 2 two tarpaulins each hatch damaged.	Four tarpaulins to be renewed by owners. (Separate bill to be submitted by owners). -OK) X
Hatches Nos. 3, 4 and 5 one tarpaulin each hatch damaged.	Three tarpaulins to be renewed by owners. (Separate bill to be submitted by owners.) -OK) X
Hatch No. 1 port pipe guards bent and broken and pipe broken.	Pipe guards to be renewed approximately 50'0" of 2" x 14" x 2" flanged checkered plate and pipe to be renewed (765#).
Hatch No. 2 port winch steam crossover pipe washed overboard and supply pipe bent and distorted and aft pipe guards bent and broken.	1 1/2" flanged and shaped crossover pipe to be renewed, approximately 10' supply pipe to be renewed, approximately 5' renewed pipe to be insulated. Pipe guard to be renewed approximately 20' flanged checkered plate.
In way of hatch No. 3 port and starboard hand rails distorted and section on starboard side washed overboard.	5'0" of 3 tier handrail port side to be faired and 10'0" of 3 tier with cap bar starboard side to be renewed.
Hatch No. 3 aft port and starboard ventilators broken and washed overboard.	Port and starboard ventilators to be renewed approximately 20" diameter.
Hatch No. 3 forward port ventilator screen washed overboard.	Forward port ventilator screen to be renewed.
Hatch No. 3 port and aft pipe guards broken and part washed overboard.	Broken pipe guards to be refastened and approximately 30' of 2" x 14" x 2" flanged checkered plate renewed. (459#).
Top mast No. 2 twisted and bent.	Top mast No. 2 to be removed to shop, faired and reinstalled.

Plaintiff's Exhibit 15.

Upper Bridge Deck	
Two lifebuoys washed overboard with lights.	Two lifebuoys to be renewed by owners. (Separate bill to be submitted by owners). X
Boat Deck	
Port and starboard lifeboat covers torn and provisions damaged.	Port and starboard lifeboat covers and provisions to be renewed by owners. (Separate bill to be submitted by Owners). X

THIRD CASUALTY (Continued)

FOUND	RECOMMENDED
Boat Deck (Continued)	
Handrail starboard side aft bent.	Three tier handrail with cap rail to be faired approximately 12'.
02 Deck	
After galley exhaust chimney broken loose and damaged.	Exhaust chimney to be repaired and refastened.
Main Deck Aft	
Aluminum accommodation ladder washed overboard.	Aluminum accommodation ladder to be renewed by owners. (Separate bill to be submitted by owners.) X
Galley fan casing broken, motor torn loose and grounded by water. Controller grounded.	Galley fan casing to be repaired, impeller blasted and balanced, field coils to be removed, armature turned, undercut and balanced, bearings and brushes renewed. Controller to be renewed, to be tested after installation.
Hatch No. 4 port and starboard pipe guards broken.	Port and starboard guards to be refastened.
Hatch No. 5 port pipe guard broken loose from deck.	Pipe guards to be rewelded to deck.

Plaintiff's Exhibit 15.

Electrical system forward, midships and aft grounded by sea water.	Approximately 305'0" of electric cable to be renewed, 14-2 wire plug boxes. 4 R/S lighting fixtures, 3 junction boxes, 3 R/S switches, 5 R/S sockets to be renewed and 6 lighting fixtures repaired on deck. Approximately 150'0" of cable and 10-2 wire plug boxes to be renewed on forward and aft kingposts.
All cargo lights forward, midships and aft damaged.	Nine cargo lights to be removed, lens renewed, lights overhauled and reinstalled.
Three port hole glasses broken.	Three port hole glasses to be renewed.
Poop Deck	
Two lifebuoys washed overboard with lights.	Two lifebuoys to be renewed by owners. X (Separate bill to be submitted by owners.) - We Need
Port forward rail bent and broken.	Three tier handrail with cap bar to be renewed approximately 20'.
Emergency steering stand torn loose from deck and damaged shaft through deck bent.	Emergency steering stand to be repaired and refastened to deck, shaft removed, renewed, and reinstalled.

THIRD CASUALTY (Continued)

FOUND	RECOMMENDED
Poop Deck (Continued)	
Emergency steering compass and base washed overboard.	Emergency steering compass and base to be renewed.
Starboard wire spring reel broken loose from base.	Wire spring reel to be refastened to base and wire to be checked.
Steering gear room ventilator washed overboard.	Ventilator to be renewed approximately 12" diameter.
Stern navigation light washed overboard and feeder cable grounded.	Stern navigation light and bracket to be renewed approximately 100'0" of electric cable to be renewed.

Plaintiff's Exhibit 15.

Seven drums (4 diesel, 1 gasoline and 2 tricon chemical) fastened to 02 deck smashed and covered deck with oil and chemicals.	Deck to be cleaned and 4 drums of diesel oil, 1 drum of gasoline and 2 drums of tricon chemical to be renewed by owners. (Separate bill to be submitted by owners.) (check this) X
Telemotor piping leaking in various places. Telemotor equalizing valve cracked.	Leaking joints to be made up, piping to be removed and replaced and equalizing valve renewed, system to be filled and tested.
Sea water found in aft crew quarters and officers' smoke room.	24 sq. ft. of damaged sheathing to be removed in aft crews' quarters, leaking rivets and seam to be caulked, 24 sq. ft. of plywood sheathing to be renewed, 20 sq. ft. of damaged sheathing to be renewed in officers' smoke room, two windows approximately 14" x 24" to be removed, faired and reinstalled, 20 sq. ft. of plywood sheathing to be renewed.
<u>Main Engine</u>	
13 main engine holding down bolts broken.	Manhole covers to be removed from No. 4 port and starboard double bottom tanks, local cleaning to be accomplished, in way of broken bolts, 13 bolts to be machined and installed with washers and 2 nuts, manholes to be closed up and proved tight, remainder of bolts to be checked and tightened as found necessary.
No. 4 aft L.P. crankshaft bearing pounded.	Bearing to be removed to shop, remetalled and machined, returned to ship and reinstalled.
<u>Thrust Bearing</u>	Thrust bearing to be opened, clearance checked and thrust collar dressed by stoning. Bearing to be closed up with new oil. Holding down bolts to be checked and tightened.

Plaintiff's Exhibit 15.

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THIRD CASUALTY (Continued)

FOUND	RECOMMENDED
Life Shaft Bearings	
Forward line shaft bearing foundation bolts slack.	Bearing to be opened for examination and closed in good order. Bolts to be tightened.
Aft line shaft bearings.	Two aft line shaft bearings to be opened for examination and closed in good order.
Inboard Steam Generator	
Four main, two crank, one eccentric, two crosshead and two generator bearings wiped.	Steam piping to be disconnected, pistons disconnected and cylinder housing removed.
	Coupling between steam end and generator end to be broken.
	Crankshaft to be taken to shop, set up in lathe, checked for truth, journals polished and oil holes cleared.
	Four main, two crank, one eccentric, two crosshead and two generator bearings to be remetalled and machined.
	Sump to be cleaned.
Oil cooler tubes plugged and leaking.	Oil cooler to be opened and tubes cleared and rerolled, 3 tubes to be renewed, heads to be skimmed, cooler to be tested and closed up.
	Generator to be taken to shop, cleaned and checked.

Plaintiff's Exhibit 15.

Armature shaft grooved, commutators mica V-rings burned out to ground, armature coils grounded, field coils shorted and grounded, brush rigging insulators burned to ground.	Oil seals to be renewed, shaft to be welded and machined in way of grooves, remica the V-rings and commutator bars, armature to be reinsulated and rewound, armature to be dipped and baked, commutator to be turned down, mica to be under cut, armature to be balanced, salt deposits to be removed from brush holders, brush rigging to be reinsulated, six field coils and interpoles to be removed, rewound, dipped in varnish and baked, coils to be reinstalled and connected, generator to be assembled and tested. Generator to be returned to shop and reinstalled. All bearings to be fitted and installed. Generator and steam end to be coupled.

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THIRD CASUALTY (Continued)

FOUND	RECOMMENDED
Inboard Steam Generator (Cont'd.)	All removals to be reinstalled. Generator to be tested.
Main Switchboard	
Main switchboard and starboard engine room electrical system grounded due to entrance of sea water through skylight.	Four 100 amp switches and fuse block assemblies to be renewed, twelve 30 amp switches and fuse block assemblies to be renewed, three voltmeters to be renewed, nine ampmeters to be renewed, ten switches to be removed, cleaned and reinstalled. All contacts to be cleaned, starboard electrical to be checked.
Steering engine steam control valve cage and valve cracked.	Steering engine and control valve to be opened for examination, new valve cage and valve to be machined and installed, steering engine and valve to be closed and tested.

Plaintiff's Exhibit 15.

Rudder Carrier	
Rudder carrier bearing subjected to excessive strain due to pounding of rudder.	Carrier bearing to be opened, examined and closed up.
Rudder	
Rudder stock bottom securing nut missing, threads broken, taper water scored, upper and lower rudder stock liners scored and pounded, lignum vitae staves in upper lower bushings pounded, broken and missing.	Cement around vertical palm to be broken loose. Rudder to be unshipped and taken to ship. Rudder stock to be removed from rudder. Rudder stock to be welded in way of taper and threads. Rudder stock to be put in lathe, taper machined, threads chased and liners skimmed. Rudder to be rewooded and machined. Nut to be fabricated to suit rudder stock. Boring bar to be set up and skeg bored. Steel bushing to be machined to suit taper of rudder stock, pressed into skeg and seal welded. Rudder stock and rudder to be moved to ship and connected up.

Plaintiff's Exhibit 15.

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THIRD CASUALTY (Continued)

FOUND	RECOMMENDED
Rudder (Continued)	Cement to be installed around vertical palm.
Engine Room Tanktop	Tanktop to be tested and examined.
Plate H-11 port side cracked.	Plate H-11 port side to be removed, inside plate riveted 21' x 5'6" x 17.85# (2062).
Plate H-11 starboard side cracked.	Plate H-11 starboard side to be renewed, inside plate riveted 21' x 5'6" x 17.85# (2062#).
	Internals to be dealt with as found necessary.
	Adjacent edges of plates to be faired.
Two holes punched in port F-3 shell plate by shifting cargo.	Two spigot patches to be installed in way of holes.
	Services of air compressor and barge to pump out water in No. 1 hold.
Lower sections of sounding pipes in No. 1 port and starboard cargo hold damaged by shifting cargo.	Sounding pipes to be cropped and renewed 2" dia. x 12'0" long each with new clips.
Ice machine controller grounded due to entrance of sea water through port hole.	New ice machine controller to be renewed.
Transverse angle at main deck to aft and midship house cracked at five locations.	Transverse angle to be cropped at five locations and a new section welded at each location 3" x 3" x 1/2" angle 24" long.
Aft peak forward bulkhead starboard side cracked at shell bracket clip 3rd bracket above shaft tunnel.	Aft peak bulkhead to have welded doubler installed over crack.
After peak after bulkhead cracked.	Doubler 12" x 12" x 20.4# to be welded over crack.

Plaintiff's Exhibit 15.

Nine rivets leaking.	Nine rivets to be welded and caulked.
	Approximately 300 sq. ft. of tank top to be removed in No. 1 hold, tank top to be cleaned and coated with tar, 900 sq. ft. of single layer 3" x 12" ceiling with 2 1/8" x 4" sleepers to be installed. (Separate bill to be submitted by owners.)

General
Necessary drydocking (1 haul, 4 lay days.)
Necessary services to be connected up and maintained, during drydock period.

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THIRD CASUALTY (Continued)

General (Continued)

Necessary services of towboats, in and out of yard.
Necessary staging to be erected and afterward removed.
Necessary transportation to and from vessel out of yard.
Necessary services of weld barge out of yard.
Necessary dock trial to be conducted by crew, yard personnel to stand by.
Necessary coating of new and disturbed work.
Necessary hose testing of affected areas.
Manhole cover to aft peak tank to be opened and closed.
Aft peak tank to be certified gas free.
Aft peak tank to be tested.
Main deck to be hose tested in way of repairs.
Necessary removal and replacement of insulation and sheathing in reefer boxes in way of angle renewal, approximately 2 sq. ft. each location..

The cost of the foregoing repairs, including drydock charges, was agreed with Messrs. Maryland Shipbuilding and Drydock Company, Baltimore, Maryland, in the sum of Fifty Three Thousand, Seven Hundred and Ninety Nine Dollars ($53,799.00).

NOTE 1: The cost of providing the following services, steam, electricity, circulating water, fire lines and garbage disposal for the period of repairs was agreed with Messrs. Maryland Shipbuilding and Drydock Company, Baltimore, Maryland in the sum of Six Thousand, Two Hundred Dollars ($6,200.00). These charges are common to all three casualties.

NOTE 2: Drydocking charges for the First Casualty are reflected in the cost of repairs arising from the Third Casualty. If done alone, one (1) haul and one (1) lay day on drydock would be required.

Plaintiff's Exhibit 15.

NOTE 3: In connection with the Second Casualty it is the opinion of the Undersigned that the engine room personnel showed gross negligence and lack of responsibility during the voyage and that they panicked at the time of emergency.

NOTE 4: Owners elected to delay repairs to the Port Main Boiler and in this respect a sum of Forty Nine Thousand, Three Hundred and Forty Dollars ($49,340.00) was submitted by Messrs. Maryland Shipbuilding and Drydock Company, Baltimore, Maryland for the cost of repairs had they been effected at this time which cost is considered fair and reasonable.

NOTE 5: Owners reported that the following equipment and provisions were lost and/or damaged as a result of the Vessel encountering heavy weather for which a separate bill will be rendered.

Starboard Lifeboat

6 red hand flares ✓
4 parachute flares ✓
2 orange smoke floats ✓
1 first aid kit ✓
1 case condensed sweetened milk ✓
1 lifebuoy ✓
1 light heaving line ✓
26 cans 2 lbs. each rations ✓
4 lifejackets ✓
1 portable gas lamp ✓
1 sea anchor ✓
36 cans of emergency water ✓

Port Lifeboat

6 red hand flares ✓
4 parachute flares ✓
2 orange smoke floats ✓
1 case condensed milk ✓
6 life jackets ✓
26 cans 2 lbs. each rations ✓
1 flare gun ✓

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2 lifeboat tarpaulins, cover 25' x 8'
7 hatch tarpaulins
1 accommodation ladder, aluminum
120 fms Manila mooring line, 8"
1 gasoline welding machine
82 tons Bunker C
45 tons Bunker C
60 fms 3" Manila rope for securing cargo hatches
4 drums diesel oil
1 drum gasoline
2 drums Tricon chemical (ONLY 1 REPLACED)
4 lifebuoys with self-ignited light
4 hoses 50' x 2" each
3 drums, engine oil
3 drums, dynamo oil - (ONLY 2 replaced)
1 drum, cylinder oil

RECAPITULATION

First Casualty	- February 7/8th 1964	Striking Lock	$ 2,604.00
Second Casualty	- February/April	Crew Negligence	$ 92,403.00
Third Casualty	- February/April	Heavy Weather	$ 53,799.00
Common charges for services			$ 6,200.00

Vessel on drydock - April 9th 1964
Vessel off drydock - April 12th 1964
Vessel redocked - April 27th 1964
Vessel undocked - May 1st 1964
Repairs commenced - April 3rd 1964
Repairs completed - June 15th 1964

E. R. Jones

E. R. Jones
UNDERWRITERS' SURVEYOR

presumably only 1 day charged

Plaintiff's Exhibit 27,
Handwritten notes/ adjustment.

S.S. Pancoast

- Struck Docks - Feb 7/8, 1964
- Heavy Weather - Feb 24/Apr 3, 1964
- Crew Negligence - Feb 24/Apr 3, 1964
- Detention/Detention in Azores - Mar 4/5 1964
- Detention/Detention in Bermuda - March 1964
- Detention Baltimore for Repairs - Apr 9 - June 12, 1964
- Repairs Negligence - Apr - June 1964
- Detention in Chesapeake Bay - June 13-16, 1964
- Crew Negligence - June 18, 1964
- Stranding - June 22, 1964
- Detention/Detention Port Everglades - June 22 - July 12, 1964
- Crew Negligence - Sept 20, 1964
- Towed into Gramercy, La. Sept 22-24, 1964.

Plaintiff's Exhibit 27.

I Actual Disbursements

(A) Sanation / Detention Azores:

Sunday Port Entry + Detention Expenses - Es. 7019.90

Bensaude + Co. - Replacement 175 tons water 3832.14

Ep. 10,852.04

Exchanged U.S.$ $ 380.77

Crew Wages, Overtime + Provisions 344.17

Mobile Oil Company - Replacement 108 Tons Jul 82126 1986.12

Customs stores 50.00

2761.06

(B) Sanation / Detention Bermuda:

Sunday Port Entry + Detention Expenses: £ 222.0.7

Bermuda Lands Corp - Replacement of 135 tons of water 63.0.1

£ 285.0.8

Exchanged U.S.D 802.37

Crew Wages, Overtime + Provisions - incl of Customs entrance 575.67

Plaintiff's Exhibit 27.

Asiatic Petroleum Corporation - Repairment

107.3 tons fuel 2196.00

Engine Stores 75.00

3967.04

(C) Repairs and Extra Detention Baltimore Apr 9-June 12, 1967

Pilotage and Agency Charges X 316.89

Maryland Shipbuilding + Drydock Company Repairs:

(1) Services Apr 9 - June 12, 1967 X 6,200.00

(2) Heavy Weather Damages X 53,799.00

(3) Winch Lock Damages - Starboard side X 2604.00

(4) Crew Negligence Damages - Scotch + Starboard Lament Boiler Repairs X 92,403.00

(5) Filtration Pump damage due Heavy Weather X 229.00

New Star Ship Supply Co.:

(1) Replacement Lifeboat Equipment due Heavy Weather X 767.65

(2) Replacement Equipment Lost/Destroyed due Heavy Weather X 5648.90

Owners of S.S. Parocean:

(1) Crew repairs to tank top ceiling No. 2 hold X 1072.55

(2) Replacement of drums of various oils etc lost/destroyed in heavy weather X 524.57

Neptune Machine Works, Inc:

(1) Replacement main engine parts due H/W. X 1043.00

(2) Labor on main engine, condenser, airpump and circulating pump due H/W X 525.00

Plaintiff's Exhibit 27.

Th. Carras - Labor charges on main engine repairs	X	764.50
G. Karaisarides - Labor charges on main engine repairs	X	301.00
Michel G. Markogianis, Inc - Owners' Surveyor's Fee	✓	8,207.10
Bureau Veritas Accounts (D) for survey.	✓	2650.00
Salvage Association, London - Survey fee	✓	1659.00
Crew Wages, Overtime & Provisions - for 2 months and 5 days		11,607.83
Less Wages etc three men not aboard		2327.65
		9281.18
Shell Oil Company - Replacement 21 bbl fuel.		321.51
Engine Stores		160.00
(D) Detention in Chesapeake Bay effecting telemotor repairs consequent on Repairer's Negligence:		
Bureau Veritas Survey	✓	635.00
Crew Wages and Provisions during detention - 2 days		332.73
(E) Damage to and Detention at Port Everglades for Repairs:		
Sundry Port Entry & Detention Expenses	X	3522.66
Merrill-Stevens Dry Dock Co. - Repairs	X	6422.00
Owners of Paracoan - Ship supplied parts used in repairs	X	124.00
Neptune Machine Works Inc - Engine Parts for repairs	X	885.00
Rental Machinery Company - Hire of portable gasoline pump to pump bilges	X	156.92
Charles Pagliamiti - Operator of gasoline pump.	X	275.00
Michel G. Markogianis, Inc - Owners' Surveyor.	X	2709.61
Bureau Veritas Survey fee ..	X	700.00
Salvage Association, London Survey Fee	X	1150.00

Plaintiff's Exhibit 27.

Crew Wages, Overtime & Provisions during detention and detention period of 21 days — 3548.52

Shell Oil Company - Replacement of 38.6 Tons fuel — 897.17

Shell Oil Company - Replacement of 8 Tons Diesel — 271.04

Engine Stores — 271.29

(F) Repairs in New Orleans, La. - July 1964:

Sundry port expenses for drydocking etc. — 905.00

Todd Shipyards Corp. Accounts for:

(1) Temporary and part permanent repairs in Stranding June 22, 1964 - Proportion of amount in total amount of $ 5771.16 — 3348.90

(2) Machinery Repairs due Crew Negligence - June 18, 1964 — 3385.00

(3) Additional Machinery Repairs due Crew negligence June 18, 1964 - Proportion of account in total amount of $ 3814.06 — 1619.00

Neptune Machine Works, Inc - Machinery Parts — 1295.00

Nickel G. Pappagianis - Owners Surveyor's fee — 1632.00

Crew Wages & Provision during Repairs - Skeleton crew of 5 men for 11 days. — 451.00

Bureau Veritas accounts (2) for surveys. — 332.00

(D) Crew Negligence - Sept 20, 1964. Towed to Gramercy, La:

Crescent Towing & Salvage Co. Inc accounts for:

(1) Services of Tug "Sandra" towing Panocean from position 90.45 W 27.15 N into Gramercy, La. — 5880.00

Plaintiff's Exhibit 27.

(2) Supply of 120 BBls diesel oil used to raise Steam on Panoccan	514.08
(3) Supply of boiler water	135.00
Sundry Port Expenses in connection with Surveys and waiting for tenders re boiler damage due crew negligence Sept 20, 1964	3173.91
Dixie Machine Welding & Metal Works, Inc account for taking samples for metallurgical examination of boiler steam drum & furnaces	252.00
U.S. Testing Company, Inc. - Metallurgical report	125.00
N.Y. Testing Laboratories, Inc. - Metallurgical report	185.00
Bureau Veritas survey report	306.00
Salvage Association, London survey	1324.00
	241,671.09
(H.) Miscellaneous Expenses:	
Trans Marine Shipping Agency, Inc account for agency fee, cables, long distance calls etc. all in connection with these insurance claims	4000.00
Van Kopsinis - Translation of Logs from Greek to English	75.00
Great Eastern Associates, Inc. - Fee and expenses	9700.00

To

Plaintiff's Exhibit 27.

Commission on Disbursements
Interest on Disbursements & Allowances
Total A-H ₤ 255,446.69

II Additional account billed to Owners but not paid:
Salvage Association, London - Survey expenses billed by London Office £ 195-3-10 ₤ 546.54

III Unrepaired Damage Claims as per Certificate dated Jan 15, 1964
(A) Struck Lock - Feb 7/8, 1964 - (Port side) ₤ 2485.00
(B) Crew Negligence - Feb 24/Apr 3, 1964 (Port Boiler) 49,340.00
(C) Stranding - June 22, 1964 (Bottom Damage) 40,000.00
(D) Crew Negligence - Sept 20, 1964 (Boilers) 96,428.00
₤ 188,253.00

Grand Total I - III ₤ 444,246.23
Less: Credit for Payment on Account from Underwriters ₤ 126,794.00
Less: Estimated General Average Credit recoverable from other interests 15,000.00 141,794.00
Balance Due ₤ 302,452.23

Plaintiff's Exhibit 27.

Not considered in the above figures are:

(1) The Salvage money which will be awarded to Merrill-Chapman for refloating the Vessel on June 26, 1964, for which bail has been provided by the London Broker in the amount of £48,000.

(2) London Brokers charges for providing bail which amount to $ 516.00

Plaintiff's Exhibit 30(A), Correspondence

November 4, 1963.

The Marine Midland Trust Company of New York,
120 Broadway,
New York, N. Y.

Gentlemen:

S/S. "PANOCEAN" ex "SEA STAR" -
Timecharter Party dated
October 17th, 1963.

On proper delivery of the above vessel to Panocean Navigation Line, S. A. and immediate delivery to us under the above stated timecharter party, you are herewith authorized to release the escrow amount of $22.500.oo held jointly by Panocean Navigation Line S. A. and ourselves to Panocean Navigation Line S. A. and to transfer the amount of $ 22.500.oo from our account with your Bank to Panocean Navigation Line S. A.

Very truly yours
FERRO-BET CORPORATION OF AMERICA

BY _____
Ottar Grundvig, President.

Plaintiff's Exhibit 30(A)

November 15, 1963

To: FERRO-BET CORPORATION OF AMERICA and
THE MARINE MIDLAND TRUST COMPANY OF NEW YORK

Pan Ocean Navigation Line, S. A., hereby acknowledges the receipt of $45,000.00 from Ferro-Bet Corporation of America. Said sum represents payment by Ferro-Bet Corporation of America of the first (1st) month's hire and payment of the thirtieth (30th) month's instalment payable under Time Charter Party dated October 17, 1963, made by Pan Ocean Navigation Line, S. A., and Ferro-Bet Corporation of America.

Pan Ocean Navigation Line, S. A., hereby covenants and agrees that, of the aforesaid sum of $45,000.00, only the sum of $15,000.00 shall be used by it in payment of the balance of the purchase price payable by it, in connection with its purchase of the S/S "SEA STAR" to be renamed S/S "PANOCEAN", from Atlantic Marine Interprises, Inc.

In the event said vessel is not so purchased, Pan Ocean Navigation Line, S. A., shall forthwith on demand return said sum of $45,000.00 to Ferro-Bet Corporation of America.

PAN OCEAN NAVIGATION LINE, S. A.

By: _____ Pres.
Michael G. Markogianis

I, MICHAEL G. MARKOGIANIS, do hereby personally guarantee the performance of the obligation of Pan Ocean Navigation Line, S. A., as contained herein above.

_____
Michael G. Markogianis

Plaintiff's Exhibit 30(A)

December 13th, 1963.

S. E. L. Maduro & Sons, Inc.,
Curacao,
N. A.

Gentlemen:

S/S. "PANOCEAN" ex "SEA STAR".

We cannot see that we have received a delivery certificate from you for the proper delivery of this vessel under timecharter to Ferro-Bet Corporation of America, signed by you in their behalf and by the master in owners' behalf. Please send this to us without delay. We take it that this certificate clearly states that the vessel was not acceptoc insofar as her cleanliness is concerned, but that master would clean the vessel en route in a satisfactory manner so she could start loading the grain cargo without delay. This document is extremely important and any other document you have that will support the later actual delivery of the vessel, because of her unfinished repairs. If you can obtain information from the shipyard as to the nature of these repairs, so it can be established beyond any doubt whatsoever that she went off hire again immediately following the delivery time of 10.15 Nov. 19th, 1963, which we cabled you in accordance with the closing time in Montreal between buyers and sellers.

Very truly yours
GRUNDVIG CHARTERING, INC.

PS: There is something else wrong with this vessel, viz. her cargo capacity and stability. She was only able to load 1965 tons of soybeanmeal and 2250 tons of soyabeans, whereas she should have been able to accommodate 40/4000 tons of these cargo combinations. Can you help us in finding any answer to that riddle?

Plaintiff's Exhibit 30(A)

December 18, 1963.

Cargo-Maritime, S. A.,
28, Avenue de l'Opera,
Paris, France.

Gentlemen:

S/S. "PANOCEAN".

This vessel which is ex the "SEA STAR" ex "ANCUD", details we gave you some time back, has not proven itself very well for the carrying of grain. She loaded on 4.188.2 longtons of soyabeanmeal and soyabeans, which is far too little considering her deadweight of 5.775 tons, which she has according to Lloyd's and a grain cubic of about 274.000 and bale of about 252.000 - the owners claim a bale of 235.000 and deadweight of about 5500 (as contained in the t/c.), but Lloyd's records show higher deadweight and better cubic. We have written to Spain to ascertain what is what and will revert.

However, based on the terms of her present t/c. which runs for 30 months, we wonder if she could be used in the French Mediterranean/West African trade. Her total t/c. hire including bonus to owners' operator is $ 23.000.oo and overtime $ 500.oo for bulk trading and $ 750.oo for general cargo. Do you think it is possible to obtain a somewhat better rate than this on timecharter in the trade mentioned or any other trade, excepting with Communist Countries, whereto she cannot go.

Your very early advices would be greatly appreciated.

Very truly yours
GRUNDVIG CHARTERING, INC.

Ottar Grundvig

Plaintiff's Exhibit 30(A)

December 18, 1963.

Messrs. H. C. Lenfest &
Kenneth F. Yarrington,
New York, N.Y.

Gentlemen:

S/S. "PANOCEAN".

Referring to meeting yesterday with Mr. Yarrington and the owners' representative as well as captain C. Diktas, I now present to you the extraordinary expenses incurred relative to the fact that the owners did not clean the vessel as agreed and also that the vessel could not load any more cargo than 4.188.2 long tons:

Off hires:		Days	Hours	Minutes
At Curacao - Nov. 19 at 10.15 - Nov. 20 at 13.30		1	3	15
At New Orleans				
Nov.27 at 18.00 - Nov. 29 at 12.00		1	18	00
Nov.30 at 08.00 - Dec. 5 at 08.00		5	3	00
		8	00	15
Daily timecharter hire $ 733.33	$ 5.866.64			
Hourly " " $ 30.55	7.64			$ 5.874.28
Overtime during this period				133.36
Bunkers during this period (5 tons daily)				564.20
Water during this period				15.00
Costs of cleaning as per agents' advices (holds 2/3/5)				1.000.00
Costs of employing specialist to ascertain vessel's stability, which is a matter for owners to present				500.00
Extra costs of improving and erecting grain fittings for reason of findings of lack of stability as satisfactory drawings to submit to the National Cargo Bureau were not made available by owners				3.000.00
Extra tugboat hires relative to the cleaning and movement				150.00
Launch hires				150.00
Dockage during cleaning and delays				344.00
(When actual invoices received, adjustments will have to be made)				
(upwards or downwards, but above based on agents' reports)				

CARGO SHORTSHIPMENTS:

Holds Nos 1 and 4 as well as tweendecks in these holds were used to load the soyabeanmeal, which belongs to North-American Grain and not to Cook Grains, Inc., for which reason it had to be kept fully separated. Another reason for this was that it might be discharged at Barcelona, so it had to be made available for such a contingency. Total grain cubic these holds allows for 2000 longtons soyabeanmeal in bulk at 65 cb.ft. per ton. Vessel actually loaded 1.965 tons, so there is a shortage of 35 tons, which is being investigated.

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250a

Plaintiff's Exhibit 30(A)

Brought forward		$ 11.730.84
However, it is reasonable to assume that the soyabeanmeal could not be packed much better than was the case, so I do not feel we have a valid claim against the ship for these 35 tons.		
In holds Nos. 2/3/5 was loaded the cargo of soyabeans in bulk. The total cubicin these holds and tweendecks allows for 2850 longtons of beans stowing 51/53 cubic feet per ton. Vessel actually loaded for reason of lack of proof of stability which prevented the vessel from utilizing her full cubic 2223.2 longtons - the difference is thus no less than 626.8 long tons, and this is far too much of an underload to ignore. The loss in revenue is- basis $ 9.50 per longton		" 5.954.60
		$ 17.685.44
Timecharter hire due December 19th is as follows		$ 22.000.oo
Less 1 1/4% to Grundvig Chartering, Inc.		275.00
		$ 21.725.00
Bunkers at Curacao as on board (we have not as yet received an invoice from owners, so possible adjustment can take plac e)		
65 tons f/o. @ $ 12.97	$ 843.05	
4.5 tons d/o.@ $ 21.945	" 98.75	941.80
Purchase of grainfittings as onboard approved by the National Cargo Bureau in Duluth and New York, but disallowed by the National Cargo Bureau in New Orleans		750.00
Overtim-e		500.00
		$ 23.916.80
Less above costs which we consider being owners' costs		17.685.44
		$ 6.231.36

It may not be possible as of now ~~to~~ prove the correctness of the entire amount of $ 17.685.44, but certainly a major share of it should be applied against the timecharter hire. There appears to be some doubt in the minds of attorneys we have consulted previously on off hires, whether a timecharterer can deduct the amount from the hire as long as it is disputed by owners. We know that the usual practice, effected by every timecharterer we know, to deduct as we have proposed and in such cases owners protest, but have done little or nothing with it. This goes from the powerfu group of Norwegian owners to smaller and individual operators. However, there is one item which cannot be overlooked and that is the fact that an amount of $ 1.000.oo monthly was agreed paid to Mr. Markogianis over and above the regular timecharterhire. This payment is no part of the charter party and it is neither an addendum to the t/c., but covered in a separate letter from Amucon Caribbean Lines, Inc.(subsequently returned to Ferro-Bet Corporation of America). I feel strongly that if the owners refuse to recognize their duty to clean the vessel, even if this should be granted in arbitration, there is no question but that the intention was to clean the vessel for grain, that no payment of the $ 1.000.oo should be made and we do not believe that owners can for that reason withdraw the ship, and still we are collecting what is due to us, albeit slowly.

As stated earlier, it was my intention to use this vessel in an entirely different trade and I enclose copy of my letter of to-day to Cargo-Maritime in Pa is enquiring about West African t/c. and also enclose original letter received this morning from Fowler & McVitie (Deepsea Agents) Houston about the trade I initially intended to use her. I am trying to ascertain if she can be used instead of an LST and will revert to that matter. Please return the letter.

Very truly yours

19 B-

448

Plaintiff's Exhibit 30(A)

January 23, 1964

Mr. John Kennan
Asiatic Petroleum Company
#1 Rockefeller Plaza
New York 20, N. Y.

Dear Mr. Keenan:

Enclosed is check #117 dated January 23, 1964 in the amount of $1,520.00.

This check covers the purchase of approximately 100 tons of Bunker C at Gibraltar about January 7, for the "S/S PAN OCEAN".

Very truly yours,

Kenneth F. Yarrington

KFY:alb

COPY

Plaintiff's Exhibit 30(A)

ANTHONY J. RANDOLPH
COUNSELLOR AT LAW AND PROCTOR IN ADMIRALTY

WHITEHALL 3-3516-7-8

32 Broadway
New York 4, N. Y.

January 30, 1964

Ferro-Bet Corporation of America
c/o Grundvig Chartering Agencies, Inc.
15 Moore Street
New York City, New York

To

ANTHONY J. RANDOLPH, DR.

TO PROFESSIONAL SERVICES RENDERED in adjustment of disputes with Owner of S/S "PANOCEAN" arising under Time Charter Party dated October 17, 1963, as a result of Charterer's deductions of various sums of money from the said Time Charter Party Hire for the period of December 19, 1963 to January 19, 1964, and other charges payable by Charterer on delivery of vessel under the aforementioned Time Charter Party by reason of Charterer's claims as to the condition of said vessel at time of first loading of cargo under Voyage Charter Party dated October 25, 1963, with Cook Grains, Inc., including conference with Mr. Grundvig, Mr. Markogianis, Captain Diktas and Mr. Yarrington and preparation of agreement of settlement of said disputes. . . .$150.00

Received Payment

ANTHONY J. RANDOLPH

Plaintiff's Exhibit 30(A)

FERRO-BET CORPORATION OF AMERICA

15 MOORE STREET
NEW YORK 4, N. Y.

TELEPHONE,
WHITEHALL 3-8140

HOME:
914 DEERFIELD 7-1464

NEW BOE CODE

STEAMSHIP AGENTS AND OPERATORS

February 25, 1964.

Dear Mr. Lenfest:

S/S. "PANOCEAN".

Referring to pleasent conversation at luncheon to-day, I wish to give you this picture regarding the FBC account at the Bank:

Prior to borrowing the $ 30.000.oo we had a balance of		$ 1.719.67
We paid bunkers at Gibraltar	$ 1.520.00	
Arbitration fee (Randolph)	150.oo	" 1.670.00
		$ 49.67
Borrowed		30.000.00
Income of Seville freight		10.254.44
		$ 40.304.11
Following payments have been made:		
T/C. hire	$ 23.000.oo	
O/T.	500.oo	
Markogianis	3.000.oo	
Despard - Insurance premiums	1.602.89	
Bunkers Flushing	5.985.00	
On account bunkers Shell	2.299.19	" 36.387.08
		$ 3.917.03
Spacebrokers, Brokerage as per C/P Cook Grains		466.38
		$ 3.450.64
Attached check for $ 3.250.oo		3.250.00
Balance		$ 200.64

Freights still to come in from Leixoes and/or Owners' items from Hull/Immingham and from Strikes Insurance.

Sincerely

Ottar Grundvig

Encl.

254a

Plaintiff's Exhibit 30(A)

DIRECTORS:
V. FORRESTER
W. T. COLLINS
B. W. O. CRAUFURD
(JOINT MANAGING) S. E. A. KIMMINS
D. L. LEACH
M. C. ROBINSON
(JOINT MANAGING) P. D. R. TALBOT WILLCOX

EGGAR, FORRESTER LIMITED

RODWELL HOUSE MIDDLESEX STREET LONDON E1

TELEPHONE: BISHOPSGATE 7644 (30 LINES) LONDON TELEX 25761

CABLE ADDRESSES: CHARTERING — EGGARCHART, LONDON E.1
SHIP SALE AND PURCHASE: CONSTRUCTION: MARINE REFRIGERATION: DREDGING — EGGARSALE, LONDON E.1
AGENCY AND BUNKERS — EGGAGENT, LONDON E.1

PLEASE QUOTE REF.: JAJ/EMCC.

26th February, 1964.

Agencia Maritima Ocidente Ltd.,
Praca Duque da Terceira 11-3,
P.O. Box 2830,
LISBON, 2,
P O R T U G A L

RECEBIDO

Dear Sirs,

S.S."PANOCEAN"

We thank you for your letter of February 24th, pointing out that we had ommitted to enclose copy of the letter from the Medical Officer of Health with our letter of the 20th instant.

We have pleasure in enclosing same herewith, and regret any inconvenience caused through our error.

Yours faithfully,

EGGAR FORRESTER LTD.

FILED

MAR 2[illegible] 1964

Plaintiff's Exhibit 30(A)

CORPORATION OF LONDON

THE MEDICAL OFFICER OF HEALTH
PORT AND CITY OF LONDON

GUILDHALL, LONDON, E.C.2

Telephone MONARCH 4030

BAC

19 FEB 1964

18th February, 1964.

Dear Sirs,

s.s. "PANOCEAN" - Panama

An Officer of this Authority, who inspected the above-mentioned vessel on the 7th instant, reports as follows:-

General Observation

This vessel is possibly the most filthy and insanitary, that I have ever boarded.

Crew Quarters Generally

Toilet and washing facilities in a filthy and dilapidated condition. Nearly every water-closet pan is foul and choked and no flushing water is available. The compartments being in a disgusting condition. Crew cabins dirty, unused cabins accumulations of rubbish.

Fresh Water - Drinking

No water available. (Vessel only 5 days from Leixoes).

Domestic

None available. (Vessel only 5 days from Leixoes).

Galley

General conditions filthy, tiled deck thick with dirt, oil, grease, paintwork filthy but painting commenced today.

/Pantry

Plaintiff's Exhibit 30(A)

Pantry and Messrooms

Generally dirty.

Refrigerated Chambers

Refrigeration plant to vegetable room broken down - contents mouldy. Accumulations of water and dirt on decks of chambers, and defective (dry rot) wood linings.

Engineers Alleyway

Flooded to a depth of 2" with stagnant water.

Engineers Bathroom

Dirty.

I should be glad if you would bring those items to the attention of the owners.

Yours faithfully,

W.G. SWANN. M.D. B.Sc.
Medical Officer of Health
Port and City of London

Messrs. Eggar, Forrester & Verner Ltd.,
Rodwell House,
Middlesex Street,
London, E.1.

Plaintiff's Exhibit 30(A)

March 10, 1964

Eggar, Forrester Ltd.
Rodwell House
Middlesex Street
London E. 1
England

S/S PAN OCEAN

Gentlemen:

Our principals, Ferro-Bet Corporation of America, are experiencing great difficulties with the performance of subject vessel. In order that they may deal intelligently with the Owners please let us have your advices as to performance of vessel, attitude of Master and Officers etc for the time when vessel was at London in February of this year.

Your prompt reply will be appreciated.

Very truly yours,
GRUNDVIG CHARTERING, INC.
As agents

Lloyd J. Williams, Oper. Dept.

Plaintiff's Exhibit 30(A)

March 10, 1964

Cargo-Maritime S.A.
15 Rue Pytheas
Marseilles, France

S/S PAN OCEAN

Gentlemen:

Our principals, Fer ro-Bet Corporation of America are experiencing great difficulties with the performance of subject vessel. In order that they may deal intelligently with the Owners please let us have your advices as to performance of vessel, attitude of Master and Officers etc for the time vessel was at Marseilles in January of this year.

Your prompt reply will be appreciated.

Very truly yours,
GRUNDVIG CHARTERING, INC.
As agents

Lloyd J. Williams, Oper. Dept.

Plaintiff's Exhibit 30(A)

March 10, 1964

Deepsea Agents, Inc.
P.O. Box 2326
Customhouse Station
New Orleans 70130
Louisiana

S/S PAN OCEAN

Gentlemen:

Our principals, Ferro-Bet Corporation of America are experiencing great difficulties with the performance of subject vessel. In order that they may deal intelligently with Owners please let us have your advices as to performance of vessel, attitude of Master and Officers etc for the time vessel was at New Orleans in December, 1963.

Your prompt reply will be appreciated.

Very truly yours,
GRUNDVIG CHARTERING, INC.
As agents

Lloyd J. Williams, Oper. Dept.

Plaintiff's Exhibit 30(A)

March 10, 1964

Agencia Internacional De Navegacao
E Comercil, Ltd.
Oporto, Portugal

S/S PAN OCEAN

Gentlemen:

Our principals, Ferro-Bet Corporation of America, are experiencing great difficulties with the performace of subject vessel. In order that they may deal intelligently with the Owners please let us have your advices as to performance of vessel, attitude of Master and Officers etc for the time when vessel was at Leixoes in January/ February of this year.

Your prompt reply will be appreciated.

Very truly yours,
GRUNDVIG CHARTERING, INC.
As agents

Lloyd J. Williams, Oper. Dept.

Plaintiff's Exhibit 30(A)

(1)

S/S PANOCEAN
TIME CHARTER - OCTOBER 17, 1963

NON-PERFORMANCE CLAIM

EXCESS FUEL CONSUMPTION (C/P --10 Knots on 20 Tons daily)

Vessel delivered at Curacao, November 19, 1963) Elapsed Time
Vessel arrived San Miguel, Azores, March 4, 1964) 106 Days

			PORT DAYS	AT SEA
CURACAO	11/19	11/20/63	1	
CURACAO/NEW ORLEANS	11/20	11/27/63		7
NEW ORLEANS	11/27	12/15/63	18	
NEW ORLEANS/GIBRALTAR	12/15/63	1/ 7/64		23
GIBRALTAR	1/7/64	1/8/64	1	
GIBRALTAR/MARSEILLES	1/8/64	1/11/64		3
MARSEILLES	1/11/64	1/18/64	6	
MARSEILLES/S VILLE	1/18	1/21/64		3
S VILLE	1/21	1/26/64	6	
S VILLE/LEIXOES	1/26	1/29/64		3
LEIXOES	1/29	2/2/ 64	4	
LEIXOES/NX LONDON	2/2	2/7/64		5
LONDON	2/7	2/10/64	3	
LONDON/HULL	2/10	2/10/64		-
HULL	2/10	2/21/64	11	
HULL/FLUSHING	2/21	2/23/64		2
FLUSHING	2/23	2/24/64	1	
FLUSHING/SAN MIGUEL	2/24	3/4/64		9
Totals			51	55

Total days at sea	55	X	20 T (As per C/P)	1100 Tons
Total port days	51	X	3 T	153 "
			Total	1253 Tons

Plaintiff's Exhibit 30(A)

(2)

S/S PANOCEAN T/C 10/17/63

~~NON~~-PERFORMANCE CLAIM --EXCESS FUEL CONSUMPTION

Fuel oil delivered and or supplied November 1963/March 4, 1964

11/19/63	CURACAO On board at delivery	65 Tons
11/19/63	CURACAO Supplied by Time charterers	250 "
DEC. 1963	NEW ORLEANS " " " "	524 "
JAN. 1964	GIBRALTAR " " " "	250 "
JAN. 1964	LEXIOES " " " "	200 "
FEB. 1964	HULL " " " "	150 "
FEB. 1964	FLUSHING " " " "	434 "
	Total fuel oil supplied prior San Miguel	1873 Tons
	Est. on board--Arrival San Miguel	275 "
	Consumed 11/19/63--3/4/64	1598 Tons
	Consumption based C/P (refer Sheet 1)	1253 "
	Estimated excess fuel consumption	345 Tons

345 Tons @ $15.00 per ton (Est.) $5175.00

Plaintiff's Exhibit 30(A)

S/S PANOCEAN
TIME CHARTER-OCTOBER 17, 1963

NON-PERFORMANCE CLAIM

FRESH WATER CONSUMPTION-NOV. 19, 1963--MARCH 4, 1964 106 DAYS

NOVEMBER	1963	ON BOARD AT DELIVERY 228 CM		225 Tons
NOVEMBER	"	Supplied at Curacao		150 "
DECEMBER	"	Supplied at New Orleans	(Est.)	300 "
JANUARY	1964	Supplied at Gibraltar		106 "
JANUARY	"	Supplied at Marseilles		?
JANUARY	"	Supplied at Sevilla		50 "
JANUARY	"	Supplied at Leixoes		340 "
FEBRUARY FEBRUARY	") ")	Supplied at London) Supplied at Hull)	(Est.)	750 "
FEBRUARY	"	Supplied at Flushing		350 "
		Total water delivered and/or supplied		2331 Tons

Consumption for 106 days(Excl. supply at Marseilles) 2331 Tons

Est. Consumption as per C/P

At Sea	55 Days @ 8 Tons per day	440 Tons	
In port	51 Days @ 2 Tons per day	102 "	542 Tons
Excess water consumption			1789 Tons

1789 Tons water at £1/50 (Est.) $ 2683.50
Additional supply charges (Est.) 250.00
$ 2933.50

Plaintiff's Exhibit 30(A)

S/S PANOCEAN
TIME CHARTER - OCTOBER 17, 1963

NON-PERFORMANCE CLAIM

DEVIATION TO SAN MIGUEL, AZORES--Feb./March, 1964

DISTANCE	BISHOP ROCK/BALTIMORE VIA AZORES	3632 Miles
DISTANCE	BISHOP ROCK/BALTIMORE -DIRECT	3208 Miles
	DEVIATION	424 Miles

MINE--424 Miles @ 10 Knots 1 Day 18 Hrs. 24 Mins
(.23000 per Cal. Month--31)
1.7667 Days @ $741.94 per day $1310.78

O/T---(.800 per Cal. Month--31)
1.7667 Days @ $16.129 per day 28.50

(In Port)

MINE--(Arr. San Miguel anchorage 3/4 0700)
(Sld. San Miguel 3/5 2100)
1.5833 Days @ $741.94 per day 1174.71

O/T 1.5833 Days @ $16.129 per day 25.54
$2539.53 75% $1904.65

FUEL OIL CONSUMED(Deviation)
1.7667 Days @ 20 Tons per day 35.3 Tons
FUEL OIL CONSUMED(In Port)
1.5833 Days @ 3 Tons per day 4.7 Tons
40 Tons

40 Tons @ 95/ ($38.00) 552.00

DIESEL OIL CONSUMED(Deviation)
1.7667 Days @ 8 Tons per day 14 Tons
DIESEL OIL CONSUMED(In Port)
1.5833 Days @ 2 Tons per day 3 Tons 9.39
Estimated Port Installations-Call 1 Call 500.00
17 Tons

TOTAL Claim (Non-Performance) 2965.04
17 Tons @ $5.67

Plaintiff's Exhibit 30(A).

FERRO-BET CORPORATION OF AMERICA
15 MOORE STREET
NEW YORK 4, N. Y.
NEW BOE CODE

TELEPHONE,
WHITEHALL 3-8140

HOME,
914 DEERFIELD 7-1464

STEAMSHIP AGENTS AND OPERATORS

March 18, 1964.

Panocean Navigation Line, S. A. c/o.
Trans Marine Shipping Agency, Inc.,
52 Broadway,
New York 4, N. Y.

BEST COPY AVAILABLE

Gentlemen:

S/S. "PANOCEAN".

We wish to lodge official protest against the performance of the s/s. "PANOCEAN" ex "SEA STAR" on timecharter to our firm for a period of 30 months under the terms, conditions and exceptions of Time Charter Party dated October 17, 1963. It has become increasingly obvious that the "PANOCEAN" in its present condition is not capable of performing in accordance with the standards described in the Charter Party. It is furthermore obvious that the present condition is the same condition as was existant at the time of delivery.

Since delivery of the vessel at Curacao on November 19, 1963, we have experienced a very sad series of difficulties with the "PANOCEAN" and, we must add, owners have not been as cooperative and helpful in arriving at a solution as they should have been - not the least in their own interest.

The lack of cooperation on the part of the owners is in particular disturbing for as owners will recall, at the inception of the timecharter venture, we assisted them financially by advancing the sum of $ 45.000.oo a few days prior to delivery. This advance enabled the owners to complete their financial arrangements with the Marine Midland Trust Company. Furthermore, we agreed to assign to this Bank our freight contract with Cook Grains, Inc. as the Bank would not otherwise have granted the loan to the owners. We were under no obligation whatsoever to assist owners as above, but we did so in a spirit of cooperation, believing that owners would reciprocate with their cooperation as required. Quite the contrary has occurred.

Let us enumerate some of the difficulties to which we refer:

The "PANOCEAN" not being clean on delivery, we agreed, at owners' request to allow cleaning on timecharterers' time while the vessel was in ballast en route to New Orleans. On arrival at New Orleans it became obvious that little, if any, cleaning had been accomplished; the vessel's holds were in a completely unacceptable condition and the National Cargo Bureau refused to accept the vessel as ready to load the cargo which Cook Grains had ready. In a telephone conversation with the owners, then in New Orleans, on

Plaintiff's Exhibit 30(A)

Thanksgiving evening, the owners agreed to clean holds Nos 1 and 4 which were required for the soyabeanmeal and, that during the loading of this cargo from barges in the stream, the owners would arrange for cleaning of the remaining three holds, provided that we did not put the vessel off hire.

Although holds Nos 1 and 4 were cleaned and found acceptable by the National Cargo Bureau, owners refused to complete the cleaning of the remaining three holds, and we were forced to complete the cleaning ourselves, with consequent delay to the ship to the extent that she lost her turn at the elevator and thus did not sail from New Orleans till December 15th, 1963, having been in that port since November 27, 1963.

In refusing to complete the cleaning the owners stated they "did not know that the vessel was scheduled to load grain"... we do find this a rather odd statement from people whose Bank loan to purchase the vessel with was underwritten by the assignment of a grain contract, in fact, our grain contract.

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We must stress the lack of stability of this vessel - lack of stability means unseeworthiness, and please note that on the very first voyage with 555 long tons of bunkers in her double bottom tanks and 375 long tons of water, the vessel was still unable to load the required cargo, because of lack of stability. It was our intention to bunker the vessel in Freeport, Bahamas, but because of the demand for more stability we had to take all bunkers in New Orleans.

We have written to the vessel's builders in Cadiz Spain to obtain original drawings etcetera, and the yard writes to us as per copy attached. We have repeatedly requested the owners to supply plans and other documents required from which a final and definite stability and loading program could be drawn and submitted to the National Cargo Bureau. We had appointed Mr. Peter Sichel of Baltic Marine, Inc. to undertake this job for us and we enclose copy of his several requests for plans etcetera.

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The "PANOCEAN" has never attained the speed of 10 knots as described in the charter party; even with the very best of trim and not fully loaded she makes only at best 8.4 knots - and this under the most favourable weather conditions. Consumption of fuel and water are far in excess of charter party indications as will be seen from the attached schedules. Actual fuel consumption, particularly in port, and water consumption at all times are unbelievable. Indeed, we can find little if anything in the performance of the "PANOCEAN" to date to recommend its continued service in timecharter unless a major overhaul job would correct the conditions now existant.

We have submitted the matter of speed, fuel and water consumption to our consulting engineer Oscar L. Aronsen, who states that the vessel is NOT SEAWORTHY and that her consumption of fuel in port with no winches working, should be no more than 2 - 3 tons, and that the water consumption should not exceed 10 tons at sea under full charter party speed and about 2 tons in port - all per 24 hours.

We are aware of owners' claim that the dirty condition of the vessel as found in London by the Port Authority there, was due to the fact that she had no bunkers onboard and that she therefore could not use her pumps. In spite of the fact that no bunkers were supplied in London, the vessel was able to reach Immingham, which of course, immediately refutes such ideas on the part of the owners, but above all, we have at all times supplied the vessel with sufficient bunkers even including her excessive - above charter party - consumptions.

Enclosed is a copy of letter from the London Port Authority which is indicative of the "PANOCEANS"' condition and status. Obviously, the vessel is maintained in a filthy and deplorable state and we need not remind you, as owners, that such conditions as described by the London Port Authority are not conducive to good officers and crew morale, with consequent deterioration of services performed and in the end unseaworthiness of the vessel -- which is her present state.

As for the attitude of the vessel's personnel, we quote letters received from our agents:

Marseilles: "When the vessel arrived a great part of the crew members refused to work any more and were sitting all day on the deck waiting to be replaced. Under these circumstances you will understand that the opening and closing of the hatches - even the first time on her arrival, the dismantling of the shifting boards and their stowage after completion of discharging etcetera had to be effected by the stevedores at extra fees."

Note: We have nevertheless been invoiced by the owners for the work to dismantle these shiftingboards and their stowage. We have not paid this amount, and now instead of paying this amount, there is probably a claim against the owners for non-performance in this connection.

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75% (seventyfive percent) efficiency	17.525.00
Over payment each month	$ 5.975.00

Over payments November 19 - March 19, 1964
4 months timecharter
1 " escrow hire

5 months @ $ 5.925.00	$ 29.875.00
Excess fuel oil consumption (statement attached)	5.175.00
Excess water " (ditto)	2.933.50
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Owners' disbursements (not part of this claim)	4.245.32
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(Our claim for lack of performance is estimated in part and amount claimed is without prejudice to our right to make adjustments as these may become necessary as further information comes to hand.)

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We recommend this letter and all statements and lette to your urgent attention. We cannot stress our feelings too strongly insofar as the performance of the vessel is concerned, however, to put it briefly, to continue with the vessel in her present condition

21D

Plaintiff's Exhibit 30(A)

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We urge you to take immediate steps to coorect the situati so that the vessel can continue operating under our chartering commitments, which also have been endangered by the poor performance.

Very truly yours
FERRO-BET CORPORATION OF AMERICA

Ottar Grundvig, President.

Encl's.

Plaintiff's Exhibit 30(A)

FERRO-BET CORPORATION OF AMERICA

TELEPHONE,
WHITEHALL 3-8140

HOME,
914 DEERFIELD 7-1464

15 MOORE STREET
NEW YORK 4, N. Y.

NEW BOE CODE

STEAMSHIP AGENTS AND OPERATORS

March 20, 1964.

We received this morning the following radiomessage from the master of the s/s. "PANOCEAN":

DUE HEAVY WEATHER ETA UNKNOWN SHORTAGE WATER FUEL CALLING BERMUDA RUMAR INFORMED.

Please note: The vessel bunkered at Flushing on February24th sufficiently in master's opinion to reach Baltimore with normal safety margin.

Shortly thereafter the master radioed he was short of bunkers and water and required calling Azores, which he did and bunkered and water for Baltimore with wide margin again.

Now the third time, the vessel is out of water and bunkers, so the only explanation appears to be that she is leaking terribly and is not at all seaworthy.

From preliminary calculations to be adjusted when we know exact quantities onboard, it appears that the vessel consumes about 40 tons of bunkers per day - or twice the charter party allowance not to mention the fantastic consumption of water.

We have to-day dispatched this telegram to the master:

PROTEST YOUR FAILURE KEEP US ADVISED YOUR POSITION CONSUMPTION STOP INSIST YOU RADIO US IMMEDIATELY YOUR POSITION FUEL WATER ALSO POSITION FUEL WATER POINT DEVIATION PORT REFUGE STOP ADVISE SPECIFIC WEATHER CONDITIONS WINDFORCE DIRECTION STOP THOUGH REQUESTED LOG ABSTRACTS SINCE MARSEILLES NOTYET RECEIVED THEREFORE ARRANGE HAVE COMPLETE REPEAT COMPLETE LOG ABSTRACTS DECK ENGINE AVAILABLE ARRIVAL BALTIMORE.
GRUNDWAVE BEHALF TIMECHARTERERS.

Plaintiff's Exhibit 30(A)

April 2, 1964

Captain G. Savopoulos
S/S PANOCEAN

Dear Captain Savopoulos:

This letter will introduce Mr. H.C. Lonfest and Mr. Kenneth F. Yarrington who have financed the operation of the S/S PANOCEAN. Please extend them every curtesy and allow them to inspect your vessel.

Your cooperation will be very much appreciated.

Very truly yours,
PAN OCEAN CORPORATION OF AMERICA

Oskar Grundvig, President

Plaintiff's Exhibit 30(A)

FERRO-BET CORPORATION OF AMERICA

15 MOORE STREET
NEW YORK 4, N. Y.

TELEPHONE.
WHITEHALL 3-8140

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914 DEERFIELD 7-1464

NEW BOE CODE

STEAMSHIP AGENTS AND OPERATORS

April 9, 1964.

Captain George Savopoulos,
s/s. "PANOCEAN"
c/o. Ruckert Terminal Co.,
1409 Thames Street,
Baltimore, Md.

Was This Letter
Ever Sent?

Dear Sir:

You stated over the telephone yesterday that your ship was completely out of bunkers on arrival in Hull and that no bunkers were ordered for London delivery. Since you have made such a statement, let us therefore look at the performance of your ship:

Although the vessel did not report any bunkers onboard on arrival Leixoes, we assume that she had about 40 tons onboard, but we ignore this for the present:

Bunkers received at Leixoes		200 tons
Consumption in Leixoes;	24 tons	
Consumption en route London basis charter party stipulation of 20 tons at full speed of 10 knots	90 "	
Consumotion in London	6 "	
Consumption en route to Hull	20 "	140 "
Balance		60 tons

This is in addition to the socalled - non accessible bunkers. It is peculiar but the other vessels we operate do not have any inaccessible spaces for bunkers, such as you claim, viz. the "TRITONIS"/"MIAMI"/"HERA", so maybe it is something peculiar about the "PANOCEAN". However the sludge and bottom stuff otherwise can easily be converted into useable bunkers by applying fuel oil additives such as proposed by Mr. Yarrington.

Whatever, all the above is, there was sufficient bunkers onboard, had the vessel used bunkers as per charter party stipulations, but she never did so, she has all the times used far in excess of the stipulated bunker consumption.

For your guidance the m/s. "TRITONIUS" left Flushing 24 days after you did, and arrived in Baltimore last Tuesday, although she too ran into heavy weather. She is somewhat smaller than the "PANOCEAN" about 5400 TDW and is chartered for 11 knots, but your ship is chartered for 10 knots, so there is no other explanation but lack of performance on the part of your ship, whether this is attributed to machinery or boiler breakdowns or not.

Plaintiff's Exhibit 30(A)

May 27, 1964

Mr. Ottar Grundvig
President
Lenro-Dot Corp. of America
Room 3010
70 Pine Street
New York 5, N. Y.

Re: SS "PAN OCEAN"

Dear Ottar:

Yesterday I went down to the Maryland Shipbuilding yard in Baltimore and went aboard the "PAN OCEAN".

The distressing condition of the ship is unchanged except for the Underwriters' approved repairs which have been made. The storm damage on deck is pretty well replaced and in the boiler room one of the main Lamont boilers is being completely overhauled and the auxiliary Scotch boiler has been repaired.

The same crew was evidently on the ship as was there when I saw her in Baltimore on [illegible]. They have done nothing whatsoever to improve the ship during this 2½-month period she has been in the shipyard. The engine room is filthy and the quarters are still in the same condition of uncleanliness as they were 2½ months ago, in spite of the fact that the crew has had nothing to do for over 2½ months. My feeling that the crew has done nothing to repair or improve the ship is confirmed by the Maryland Shipbuilding people who told me that the crew had done nothing while the ship had been in their yard.

From the best information I can get, the shipyard has done $135,000 worth of work on the vessel, all of which was authorized by the Underwriters, and they have the Underwriters' commitments to pay for the work. The Underwriters have not completely repaired the ship. For instance, the main engine has only had one crank pin bearing checked and the thrust bearing checked. It is still covered with grease and looks like a piece of junk. The shipyard has done nothing to check the auxiliary machinery, the blowers, evaporators and other equipments which we know were not functioning. They cannot even give an estimate on this without tearing the auxiliary engine to see what is necessary to put them in first class condition. The port main boiler has not been repaired or put in condition. From my information, it needs a complete overhaul or replacement which would cost over $30,000. In the meantime, the ship is not in any better shape than she was when we chartered her, as she has only one of her 2 main boilers functioning.

Plaintiff's Exhibit 30(A)

The wiring and piping which were not functioning have only been repaired insofar as the outside deck storm damage work was authorized by the Underwriters.

The ship's hull has had some work done as authorized by the Underwriters, but there are damages which the owner should take care of to put the ship back in condition.

In my estimation, it is absolutely impossible for this ship to perform her charter commitments until the owner does considerable work and the crew is replaced with a capable one.

Sincerely yours,

H. C. Lenfest

HCL:alb
CC: Mr. K. F. Yarrington

Plaintiff's Exhibit 30(A)

June 30, 1964

WH4-0220

REPORT OF TELEPHONE CONVERSATION WITH MR. W. J. ROBERTS OF LLOYD'S - JUNE 29, 1964 - RE: SS "PAN OCEAN"

Mr. W. J. Roberts of Lloyd's called Mr. Lenfest on June 29, and Mr. Lenfest being out of town, gave the writer the following information to be passed on.

The "PAN OCEAN" is aground off Port Everglades, Florida.

Prior to leaving Baltimore, Mr. Markogianis sent a letter to Lloyd's stating he was withdrawing the vessel from Lloyd's class.

After the ship had sailed, he evidently changed his mind, and telephoned repeatedly to Lloyd's to ask that the ship be classed Lloyd's again, and he promised to take care of the survey when the vessel reached New Orleans.

Mr. Roberts of Lloyd's informed him he would have to write a letter to this effect, cancelling his previous letter, and this he has failed so far to do. However, he kept phoning Lloyd's about this, "almost hourly" to use Mr. Roberts' exact words.

When the ship went aground at Port Everglades, Lloyd's local representative - Mr. Hallbauer from the Miami, Florida office - tried to go aboard the vessel to make a survey. Mr. Markogianis refused to let him board the ship, stating that it had been withdrawn from Lloyd's, and that Mr. Hallbauer had no jurisdiction.

Mr. Roberts said they could do no more, but that this Owner must either get this vessel reclassed immediately, or Lloyd's will have to publish that the PAN OCEAN has been withdrawn from this class, which, he states, will be damaging to many people.

* * * * * * * *

The writer tried to reach Mr. Lenfest by phone, but was unable to do so. This information was then passed on to Mr. Yarrington on the morning of June 30.

A. L. Bailey
Secretary to Mr. Lenfest

Defendant's Exhibit C, Veritas early survey

DET NORSKE VERITAS

SURVEY REPORT

DEPOSITION EXHIBIT FOR IDENTIFICATION 15 JA

S/S, M/S: "SEASTAR" [ex "ANCUD" ex "TORREMOLINOS"] Signal Letters ~

CLASS: ✠ A 1 (Hull) ✠ LMC (Engine) Gross Tonnage 4085

Owners: Atlantic Marine Enterprise, New York

Port of Registry: Valparaíso

Builders: Astilleros de Cadiz S.A.

Where built: Cadiz (Spain) Completed 2,1953

Under supervision of: Lloyd's Register of Shipping

The undersigned,at the request of the Grundvig Agencies Inc.,New York,attended survey to the S/S"SEASTAR" while afloat in the Port of Valparaíso (Chile) and while in the floating dock of Valparaíso,on 13th and 14th February 1963.

[1] - On june 1962 the vessel passed the Lloyd's Register of Shipping Special Survey and both previous Classes ✠ A 1 and ✠ LMC have been retained,according to Certificates dated London 10th September 1962, with the Recommendation: THE FORWARD LP CYLINDER STARBOARD FORWARD FOOT (METAL LOCKED 3.61) BEING SPECIALLY EXAMINED BEFORE THE END OF JUNE 1963. The vessel has also in force all the other necessary Certificates as: Free Board;Register Tonnage;Safety Equipment;Radiotelegraphic Installation;Cargo Gears Installation; a.s.o.

[2] - As far as I could see,both Hull and Machinery are now in good and serviceable order.Only some minor deficiencies are to be noted as for instance: In the floating dock the bottom has now been cleaned but not painted; the upper deck needs to be partially coated; the forward cargo winches on deck have a drum broken;the supplementary starboard cargo winch has two drums broken; the wood decks and specially the bridge deck are to be partially recaulked;the bulkwark wood rail starboard side is missing in correspondence of a bulkwark port; the accomodation ladders are to be partially refitted; the rails of the ladders to forecastle,bridge and poop are generally strained; a.s.o.

[3] - Until January last,the vessel was owned by the Compañia Chilena de Navegación Interoceánica (INTEROCEAN) which had always special troubles owing to the water tube boilers whose handling by the Chilean Crews was,as I am told,not so adequate and careful as required.

Defendant's Exhibit C

It seems that the expenses due to such troubles, have been a determinating factor on deciding the INTEROCEAN to put the vessel out of service at the end of 1961, and only to-day, under the new owners, the ship is going to sail again.

++++++++++++++++++++++++++++++++++

N V 10.000.

Records to be made in the Register Book re this Survey:*)

Copy of this report

for the Ship, handed/sent to: _____

» » Owners handed/sent to: _____

Valparaíso, 16th February 1963
the _____ 19

(Elio Chiaruttini I.)

Surveyor

*) To be answered by the Surveyor if notations may be done.

Det norske Veritas use all possible care in ensuring that the work of Institution is executed according to the intention, but neither the Institution, the General Committee, the Permanent Committee, the Administration, the Surveyors nor others, who are acting on behalf of Det norske Veritas are responsible for any fault or negligence of the General Committee, the Permanent Committee, the Administration, the Surveyors or others, who are acting on behalf of Det norske Veritas

Defendant's Exhibit D, Letter

FERRO-BET CORPORATION OF AMERICA

15 MOORE STREET
NEW YORK 4, N. Y.

TELEPHONE:
WHITEHALL 3-8140

HOME:
914 DEERFIELD 7-1464

NEW BOE CODE

STEAMSHIP AGENTS AND OPERATORS

March 18, 1964.

Panocean Navigation Line, S. A. c/o.
Trans Marine Shipping Agency, Inc.,
52 Broadway,
New York 4, N. Y.

Gentlemen:

S/S. "PANOCEAN".

We wish to lodge official protest against the performance of the s/s. "PANOCEAN" ex "SEA STAR" on timecharter to our firm for a period of 30 months under the terms, conditions and exceptions of Time Charter Party dated October 17, 1963. It has become increasingly obvious that the "PANOCEAN" in its present condition is not capable of performing in accordance with the standards described in the Charter Party. It is furthermore obvious that the present condition is the same condition as was existant at the time of delivery.

Since delivery of the vessel at Curacao on November 19, 1963, we have experienced a very sad series of difficulties with the "PANOCEAN" and, we must add, owners have not been as cooperative and helpful in arriving at a solution as they should have been - not the least in their own interest.

The lack of cooperation on the part of the owners is in particular disturbing for as owners will recall, at the inception of the timecharter venture, we assisted them financially by advancing the sum of $ 45.000.oo a few days prior to delivery. This advance enabled the owners to complete their financial arrangements with the Marine Midland Trust Company. Furthermore, we agreed to assign to this Bank our freight contract with Cook Grains, Inc. as the Bank would not otherwise have granted the loan to the owners. We were under no obligation whatsoever to assist owners as above, but we did so in a spirit of cooperation, believing that owners would reciprocate with their cooperation as required. Quite the contrary has occurred.

Let us enumerate some of the difficulties to which we refer:

The "PANOCEAN" not being clean on delivery, we agreed, at owners' request to allow cleaning on timecharterers' time while the vessel was in ballast en route to New Orleans. On arrival at New Orleans it became obvious that little, if any, cleaning had been accomplished; the vessel's holds were in a completely unacceptable condition and the National Cargo Bureau refused to accept the vessel as ready to load the cargo which Cook Grains had ready. In a telephone conversation with the owners, then in New Orleans, on

1a

Defendant's Exhibit D

"2"

Thanksgiving evening, the owners agreed to clean holds Nos 1 and 4 which were required for the soyabeanmeal and, that during the loading of this cargo from barges in the stream, the owners would arrange for cleaning of the remaining three holds, provided that we did not put the vessel off hire.

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Very truly yours
FERRO-BET CORPORATION OF AMERICA

Ottar Grundvig, President.

Encl's.

Joint Exhibit 1, Agreed facts

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

INEZ H. LENFEST and MARINE MIDLAND GRACE TRUST COMPANY OF NEW YORK, As Executors of the Estate of Harold C. Lenfest, and KENNETH F. YARRINGTON,

Plaintiffs, 65 Ad. 1008 (RLC)

-against- AGREED FACTS

HAROLD W. COLDWELL,

Defendant.

FERRO-BET CORPORATION OF AMERICA,

Plaintiff, 66 Ad. 277 (RLC)

-against-

HAROLD W. COLDWELL,

Defendant.

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1. On or about March 20, 1964 and April 4, 1964 the common defendant, Harold W. Coldwell, and other underwriting members of Lloyd's of London and Andrew Weir Insurance Co., Ltd. and other member companies of the Institute of London Underwriters, for all of whom Harold W. Coldwell is nominee as defendant in the above-entitled two consolidated actions, subscribed to and caused to be issued two marine insurance policies in the form of the copies thereof annexed to the complaint in 65 Ad. 1008 as Exhibits "A" and "B".

2. Mr. Lenfest died during the course of this litigation and his Executors were substituted as plaintiffs by the order of the Honorable Morris E. Lasker, U. S. D. J., dated December 22, 1969.

3. The PANOCEAN was a steam ship of 4,085 gross tons, 365 feet in length, 48 feet breadth, 22 feet 7 1/2 inches summer draft with compound steam engine. The vessel was launched in 1948 and recommissioned

Joint Exhibit 1.

in 1953. The insured valuation in the policies on hull and machinery of the SS PANOCEAN was $240,000. In addition to the policies on hull and machinery, the shipowner had obtained a policy on "increased value" on the hull and machinery in the sum of $60,000 payable, subject to the terms and conditions of such insurance, in the event of total and/or constructive total and/or arranged total and/or compromised total loss of the vessel.

4. On October 17, 1963 the vessel was time chartered to plaintiff, Ferro-Pet Corporation of America for thirty months. The vessel was delivered to said time charterer on or about November 19, 1963 and in the following ten months made voyages under the time charterparty, trans-Atlantic and otherwise, earning voyage freights which were paid. Principal events during the aforesaid ten-month period were as summarized hereunder.

5. SS PANOCEAN proceeded in ballast from Curacao to New Orleans where a cargo under a Cook Grains, Inc. sub-charterparty was loaded and which thereafter was carried to Marseilles, France, where it was discharged.

6. Next, SS PANOCEAN proceeded to Seville, Spain, where ore was loaded. The 2,360.629 long tons of baryte ore (in bulk) were consigned to Millwhite Mud Sales Co. in the United States (and such cargo was eventually discharged at New Orleans).

7. SS PANOCEAN then loaded boxboards and maritime pine at Lexios, Portugal; discharged cargo at London; loaded steel coils at Immingham destined for discharge at Baltimore; and then proceeded to Flushing, Netherlands, to take aboard bunkers.

8. SS PANOCEAN encountered "heavy weather" during its passage from Flushing, Netherlands to Baltimore, Maryland, the time span for this passage having been February 24, 1964 - April 3, 1964. Damages and/or equipment losses occurred on the forecastle deck, the main deck, the upper

bridge deck, the boat deck, the "02" deck, and the poop deck; and in the engineering spaces of the vessel. The vessel's Scotch Boiler was subjected to heavy accumulation of salt, scale and soot from use of raw sea water; and both the starboard and the port Lamont boilers were subjected to use of raw sea water, and heavy accumulation of salt, scale and soot. It was necessary for the vessel to put into the Azores and Bermuda as "ports of refuge" before Baltimore could be reached.

9. On June 2, 1964 Panocean Navigation Lines, S. A. tendered SS PANOCEAN to Ferro-Bet Corp. of America as being ready to continue under the time charterparty as of June 5, 1964.

10. SS PANOCEAN sailed for New Orleans on June 12, 1964 but, after about two hours of running time, suffered a steering engine telemotor control system failure and had to anchor. Repairs were effected and the voyage was resumed on June 16, 1964.

11. The SS PANOCEAN anchored off Port Everglades, Florida to effect repairs. On June 22nd the vessel stranded. While the vessel was aground, it pounded on the bottom (which consisted of sand and coral) causing numerous bottom "set ups" and indentations. With the assistance of the Merritt-Chapman & Scott Corporation Tug CABLE, the vessel was refloated on June 28th and docked the next day at Port Everglades.

12. SS PANOCEAN's hull underwriters' proportion of the port Everglades general average liability was $40,139.91 and special charges on said underwriters amounted to $5,090.16.

13. The deferred repairs (including drydocking and steaming and cleaning charges) attributable to the Port Everglades stranding were estimated by hull underwriters' representative to cost $40,000.00.

14. On May 20, 1964 Ferro-Bet Corp. of America, as time chartered owner of the SS PANOCEAN, had entered into a charterparty with Tradax

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Exports, S. A., for carrige of soybean meal in bulk from New Orleans or Baton Rouge to France. Because SS PANOCEAN was not ready to load on or before June 20, 1964, Tradax Export, S. A., pursuant to an option given in Clause No. 11 of the charterparty, cancelled this charterparty on June 26, 1964.

15. SS PANOCEAN arrived in New Orleans on July 18, 1964. The vessel was drydocked at Todd Shipyards Corporation at New Orleans during July 21-22, 1964 where certain engine repairs were effected and completed on July 31, 1964.

16. As for the hull repairs, surveyors recommended releasing, fairing, resecuring or removing and renewing a number of shell plates. The shipowner, however, elected to defer permanent hull repairs but did caulk and weld a number of started rivets and seams. The hull repairs deferred at this time could then have been effected for $40,000.00.

17. Subsequent to her call at New Orleans, the vessel made voyages in the Gulf of Mexico. She experienced trouble in her engine room on a transit from Vera Cruz to New Orleans. She had taken her departure from Vera Cruz on September 17th and on September 20th there was failure of boiler tubing. The shipowner maintained that this was by reason of gross negligence of the vessel's engineering department. On September 22nd the vessel received towage assistance from the Tug SANDRA and on September 24th arrived at the port of New Orleans. Again, surveys were held and specifications for boiler repairs wer submitted to repair contractors with invitations to submit bids to effect these repairs. The lowest bid submitted was for the sum of $96,420.00, which figure was fair and reasonable. No contract for repairs was awarded by the shipowner and permanent repairs were not carried out during the year 1964.

18. The estimated domestic scrap value for SS PANOCEAN as of September 1964 was $28,875.00.

19. Panocean Navigation Line, S.A.'s average adjuster was Great Eastern Associates, Inc. of New York City.

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20. On February 23, 1965 Panocean Navigation Line, S.A., through its agent, authorized Great Eastern Associates, Inc. to settle any and all SS PANOCEAN claims (exclusive of salvage) arising during 1964 for an amount not less than $235,000.00 "subject to prompt settlement." This was reduced two days later to $225,000.00.

21. On or about March 4, 1965 Great Eastern Associates, Inc. cabled Sir William Garthwaite (Insurance) Ltd., insurance brokers in London, as follows:

> "285/819 FIGURE 233000 M103 WAS ONLY ESTIMATE ASOF JAN22 STOP ACTUAL ACCOUNTS NOW INHAND TOTAL 255416 BEING AZORES DISBURSEMENTS 538.15 VESSEL ALLOWANCES 2380.29 BERMUDA DISBURSEMENTS 1028.60 ALLOWANCES 3166.67 BALTIMORE REPAIRS 165582.17 DISBURSEMENTS 11097.96 SURVEYFEES SAL CLASS AND OWNERS 13151.10 ALLOWANCES 10095.42 PORT EVERGLADES REPAIRS 7431. DISBURSEMENTS 5147.74 SURVEYS 4559.61 ALLOWANCES 4987.93 NEW ORLEANS IN JULY REPAIRS 9647.90 DISBURSEMENTS 2095.16 SURVEYS 1964. NEWORLEANS IN SEPTEMBER TOWAGE 6529.08 DISBURSEMENTS 3851.31 SURVEYS 2192STOP CASUALTIES COVERING EXPENDITURES AZORES THROUGH NEW ORLEANS IN JULY ARE STRUCK DOCKS FEB 1964 H/W AND CREW NEGLIGENCE FEB/APR DEVIATIONS DETENTIONS AZORES BERMUDA BALTIMORE VARIOUS DATES MARCH/JUNE REPAIRERS NEGLIGENCE JUNE CREW NEGLIGENCE JUNE 18 STRANDING JUN22 DETENTION PORT EVERGLADES JUNE JULY ALL SAME VOYAGE STOP EXPENDITURES NEW ORLEANS SEPT 1964 COVER CREW NEGLIGENCE SEPT 20 AND CONSEQUENT TOWAGE LOUISIANA STOP TOTHIS FIGURE MUST BE ADDED 183253 FOR UNREPAIRED DAMAGE MAKING GROSS CLAIM 444246 AGAINST WHICH UNDERWRITERS RECEIVE CREDIT FOR ADVANCE OF 126794 AND ESTIMATED GA RECOVERY FROM CARGO 15000 LEAVING BALANCE DUE 302452."

22. Sir William Garthwaite (Insurance) Ltd. cabled Great Eastern Associates, Inc. as follows:

> "860 PAN OCEAN AFTER DISCUSSION UNDERWRITERS HAVE HAD WITH WARNER LEADER IS PREPARED OFFER DOLLARS 225,000 WP FULL FINAL SETTLEMENT OF ALL CLAIMS UNDER POLICY WITH EXCEPTION OF CLAIM FOR SALVAGE CHARGES ARISING FROM CASUALTY 22nd JUNE 1964 WHICH WILL BE SUBJECT OF FURTHER CONSIDERATION BY UNDERWRITERS WHEN AWARD HAS BEEN GIVEN BY ARBITRATOR UNDERSTAND THIS IS FIGURE WHICH YOU AGREED WITH WARNER APPRECIATE THIS ONLY OFFER PUT FORWARD BY

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LEADER AND CAN ASSURE YOU VIEW NATURE CLAIM AND FIGURES INVOLVED WE WILL EXPERIENCE DIFFICULTY GETTING ALL UNDERWRITERS SETTLE AS THIS IS TYPE CASE WE HAVE TO GET EVERY INDIVIDUAL LLOYDS UNDERWRITERS APPROVAL PLUS COMPANIES STOP THEREFORE SUBJECT YOUR APPROVAL ASSURED AGREEABLE ACCEPT THIS OFFER CAN ASSURE WE WILL DO UTMOST TO COMPLETE

23. On or about March 8, 1965 Great Eastern Associates, Inc. cabled Sir William Garthwaite (Insurance) Ltd. as follows:

"298/860ASSURED AGREES ACCEPT OFFER 225000WP OUTLINED YRCAB STOP AM SURE YOU WILLDO UTMOST EXPEDITE THANKS"

24. The $225,000.00 settlement was completed on or about March 30, ~~1967~~ 1965.

25. Demand on behalf of Ferro-Bet Corp. of America for payment under the "ANTICIPATED PROFIT" insurance policies was made ~~during~~ ~~June of~~ MAY 20 1964.

26. Demand on behalf of Harold C. Lenfest and Kenneth F. Yarrington for payment under the "ANTICIPATED PROFIT" insurance policies was made on March 24, 1965.

27. When the PANOCEAN arrived at Port Everglades on June 27, 1964 the reasonable cost of recovery and repairs of the vessel at that time necessary to place her in seaworthy condition did not exceed the insured value in the policies on hull and machinery.

28. When the PANOCEAN arrived at New Orleans on July 18, 1964 the reasonable cost of recovery and repairs of the vessel at that time necessary to place her in seaworthy condition did not exceed the insured value in the policies on hull and and machinery.

Plaintiff's Exhibit 21, Markogianis survey

WHITEHALL 4-6547 CABLES: MIKEMARYS

MICHAEL G. MARKOGIANIS, INC.
MARINE SURVEYOR & CONSULTING ENGINEER
52 BROADWAY
NEW YORK 4, N. Y.

DATE August 7, , 1964

SURVEY REPORT H M D - 309

THIS IS TO CERTIFY that the undersigned Surveyor did, upon the request of and on behalf of Messrs. PANOCEAN NAVIGATION LINES, S.A., Owners, of the steel single-screw steamer:

" PANOCEAN "

Gross tons 4,085, Built 2/1953

Port of Registry - Panama,

in order to ascertain and report on the nature and extent of damages sustained in consequence of striking a lock wall at London, England, on February 7 and 8, 1964; during extremely heavy weather, gales and storm during passage - Flushing, Netherlands, to Baltimore, Maryland, during the period from February 24, 1964 to April 3, 1964 and finally in consequence of crew's negligence, especially on March 13 and 14, 1964, when heavy seas poured through engine room skylight causing a blackout with damage to main switchboard, outboard generator and other auxiliary machinery.

The vessel arrived at the [illegible] Creek, Baltimore, Maryland, on April 3, 1964, in order to commence discharge of part of the cargo.

Plaintiff's Exhibit 21.

On the same day, a preliminary damage survey was held and subsequent surveys were held when vessel was dry-docked at the Maryland Shipbuilding and Drydock Company, Baltimore, Maryland,

Attending: Messrs. T.T., Jones, representing Silvers Association, London.

M. Mackenzie, representing Owners.

J.X. Tebe, representing Bureau Veritas.

A. Levi, representing Maryland Shipbuilding and Drydock Company.

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Plaintiff's Exhibit 21.

(2)

W. E. Brown, representing BUREAU VERITAS.

FIRST CASUALTY: Striking a lockwall at London, England, on February 7 and again on February 8, 1960.

Deck Log Book extracts of February 7 and 8, 1964:

Febr. 7th. London - Pilot O/B

" - Anchor aweigh Tug made fast
Entered locks, while coming alongside the locks vessel made contact with dock on the port side in way of No.4 hold. No leaks appeared.
Out of locks, Tug dismissed
Vessel made fast alongside Pier No.5 (Tilbury).
Stevedores on board, commenced discharging

Febr. 8th. " Pilot O/B
Tug made fast SBE
Vessel cast off pier
Entered locks, during docking of vessel in locks the stbd. midships side struck the dock. After inspection found heavy indents to shell plate in way of Engine room.
No leaks appeared.
Out of locks.
Tug dismissed Change pilots, dense fog, proceeding with moderate speed.

(signed by Master)

Plaintiff's Exhibit 21.

Subject Second Casualty: In consequence of vessel encountering extremely heavy weather from February 24, 1964 through March and up to April 3, 1964, during laden voyage from Flushing, Netherlands, to Baltimore, Maryland, U.S.A.

Deck Log Book extract from Febr. 24 to April 3, 1964:

at Port Flushing Netherlands

Febr. 24 — Pilot left.
Full away destination Baltimore.
W/HINDER A/B
Moderate Sea, visibility poor.

Febr. 25 — Noon position: Lat.49,42 N Lo. 2,35 W. seas moderate, dis.236 time 25-10 av.speed 9,45
Cn.Engineer reports that due to engine crew mistake boiler water was pumped into the engine bilges.
Moderate sea, fresh winds, vis.moderate.

Febr.26 — Noon position: Lat.48, 10 N Lo. 6,14 W dist. 175 time: 24-00 av.speed 7,29 gale winds, vessel rolling very heavily and quickly. Vis. poor,
Very rough sea whole gale winds, vessel rolling very heavily and quickly.

Febr. 27 — Reduced revolutions.
Noon position: Lat. 46.52 N Lo. 09.01 W. dist. 138
Time 24-00 av.speed 5,75. High seas and heavy swell, heavy waves breaking violently on deck. Heavy waves breaking on deck split and damaged the tarpaulins of hatches #1-2-3. Further speed reduction. Heavy waves pounding on deck broke

Plaintiff's Exhibit 21.

and carried away both ventilators of #3 hold. Weather conditions remain the same, vessel rolling very heavily, rain.

Febr. 28 Slight improvement of weather.
Noon position: Lat. 44.54 N Lo. 12.22 W. dist.185 time: 25-00 av. speed 7,40. Seas high, gale winds vessel rolling and pitching heavy rain. Heavy waves breaking on deck broke and carried away part of the starboard steel rails on #3 dec. Chief Engineer reports that during the transfer of fuel oil from DBTanks to Settling tanks a quantity of fiel oil was pumped out by mistake. Slight improvement of weather.

Febr. 29 Increased revolutions.
Ch.Engineer reports that the quantity of fuel oil which was pumped out at sea is about 82 tons.

which w Noon position: Lat.43.07 N lo. 15.41 W dist. 176 time 24-00 av. speed 7,35 Gale winds, seas high, vessel rolling and pitching and pounding heavily. Upon inspection of deck for possible further heavy weather damages and found the following: In Forecastle the fire hydrant was broken and taken away, one cargo light on the fore mast, and the port and starboard ladders were bent. Steam pipe guards broken, bent and partly taken away. Two tarpaulins of #1 torn in pieces, also one of the #2 hatch. steam pipes of winches bent, stern navi-

Plaintiff's Exhibit 21.

gation light broke and taken away, tarpaulin of #4 hatch torn badly and possibly other damages not immediately discernible.

Seas high, vessel rolling and pitching.

Mar. 1 For the safety of the crew, vessel and cargo it will be necessary to proceed to nearest port in AZORES to repelnish bunkers, in view of the continued bad weather and loss of fuel oil and boiler water.

Noon position: Lat.41.51 N Lo. 17.53 W dist.125 time 24-00 av. speed 5,21, very rough seas vessel suffering rolling and pitching heavily. Very rough seas gale winds.

Mar. 2 Noon position: Lat. 40.04 N Lo. 21.01 W dist. 179 time 24-00 av.speed 7,46 Very rough seas, vessel rolling heavily, vessel awash, heavy rains. Weather conditions remain same, vessel pounding. Clocks retarded one hour.

Mar. 3 Noon position: Lat,38.23 N lo. 23-52 W dist. 170 time 25-00 av. speed 6.80. Rough seas heavy rolling.

Very rough seas, heavy rolling.

Mar. 4 Very rough seas, heavy rolling.

Rough seas vessel pitching and rolling. It is necessary to proceed to San Miguel AZORES for bunkers and boilerswater replenishment in view

Plaintiff's Exhibit 21.

of continued bad weather. Arrived off San Miguel harbor awaiting bunkering orders.
Due to bad weather and not availability of berth we are rounding the Island with reduced speed, awaiting orders.
Entering S.Miguel harbor without pilot.
Pilot arrived add ordered the vessel to leave the harbor, no berth available. Left the harbor and continued rounding the Island awaiting berthing orders.

Mar. 6 Noon position: 37.45 N Lo. 28.02 W dist. 115 time 14-55 av. speed 7,3 Rough seas, strong wind,vessel rolling heavily. Weather conditions remain same as above.

Mar. 7 Rough sea strong winds, Noon position: Lat.37.40 N lo. 32.03 W dist. 192 time 24-00 av.speed 8,00 Rough sea, strong winds, vis. good.

Mar. 8 Noon position: Lat. 37.40 N Lo. 36.13 W dis. 198 time 24-00 av.speed 8,3 Rough sea and heavy swell. Very rough sea gale winds heavy waves pounding on deck, heavy rolling, rain. Whole gale winds seas very high and very heavy swell. Heavy waves breaking violently on deck, vessel suffering. Steering difficult much noise aft/end of vessel.

Mar. 9 Reduced speed in order to avoid damages.
Noon position: Lat. 37.43 N lo. 38.45 W dist. 125 time 25-00 av. speed 5,00 very high seas and heavy

Plaintiff's Exhibit 21.

rolling and pitching. Storm, very high seas vessel rolling and pitching dangerously high waves breaking with force on deck covering the bridge.
High waves covering the whole bridge broke and took away two lifebuoys from the upper bridge. Both tarpaulin covers of port and starboard lifeboats were torn completely by the waves. Inspection for further damages impossible due to very high seas and stormy winds.
Weather worsening.

Mar. 10 Vessel rolling very dangerously in the phenomenal seas. BLACKOUT due to inboard generator fault. Outboard in service. Noon position Lat. 37.52 N lo. 41.16 W dist. 120 time 24-00 av.speed 5,000 Storm continues, vessel suffers.
Phenomenal seas, stormy winds high swell.
Same as above weather conditions.

Mar.11 Noon position: Lat. 37.33 N lo. 42.23 W dis. 56 time 24-00 av. speed 2,3 Storm conditions continue. Very high seas vessel rolling and pitching heavily. the ship all over. Radio officer S.BY on radio room for emergency. Chief Engineer reports that the engine room is flooded with fuel and water. Weather worsening vessel is covered by mountainous waves. Sea water fore bosun stores. Blackout due to main switchboard and damages from sea water pouring into the engine room from the

Plaintiff's Exhibit 21.

skylark. Sea water found crew-accommodation aft. State of vessel very dangerous, storm continues, vessel almost completely stopped by waves.

Mar. 15 Heavy waves smashed seven drums of oil lashed on 2nd deck starboard side aft, and oil was spilled all over the decks. On boat heavy waves crashed against the welding machine being lashed against the rails. Diff. steering, knocks. Storm continues, vessel pounding and rolling heavily.

Noon position: Lat. 37.20 N lo. 50.33, W dis. 93 time 24-00 av. speed 3.87. Same weather as above. Slight improvement of the weather. Inspection on deck for possible further damages was carried out and found the following poop deck emergency steering gear broke at the base, emrgency steering compass and casing broke out and taken away starboard wire spring reel broke off at the base, rails bent, 2 lifebuoys taken away steering gear room ventilator broke off and taken and water entered into the steering gear room. On main deck aft the galley fan casing broke and damaged the motor, also the whole electrical system on deck was completely damaged. Water entered into the aft poop crew quarters on forward starboard side, from unknown reasons, also in midships accommodation, and various other damages for which see separate report. Same weather, continue pumping excessive water from No. 1 cargo hold bilges.

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Mar. 12 Noon position: Lat.37.24 N Lo. 44.40 W dis. 115 time 24-00 av. speed 4,80 high seas gale winds heavy ro rolling, rain vis. moderate.

Mar. 12 Same weather, excessive water found in No.1 and 3 cargo hold bilges. Pumped out.

Mar. 13 Noon position: Lat. 37.25 N lo. 46.45 W. dis. 101 time 24-00 av. speed, 4,2 heavy swell, heavy rain, vis. bad.

Weather worsening, high seas, gale winds. Engine ordered to prepare and S.B. auxiliary boiler in emergency because vessel is not under command and steering very hardly.

High seas, gale winds, vessel pounding and rolling heavily.

Mar. 14 Vessel not under command due to massive great waves pounding the vessel all over. Very dangerou s

] rolling. Top mast No.2 twsited and bent. Much difficult steering, loud knocks in steering engine and rudder.

Ch. Engineer reports that owing to heavy and very dangerous rolling, port boiler damaged and disconnected. Steaming with starboard and scotch boiler connected. Starboard aluminum accom. ladder taken away,

Ch. Engineer reports that due to the state of

] confusion and panic in the engine room owing to dangerous rolling, and while transferring fuel oil

Plaintiff's Exhibit 21.

from fuel tanks a great quantity of fuel oil was pumped in the bilges and flooded the engine and boiler rooms.
Ch. Engineer reports that the condition and state of the engine room is in danger. Water and fuel during the confusion was pumped in the engine room. Vessel is in danger and not under command.
Damage to steering gear, massive waves covering

Mar. 16 Noon position: Lat. 37.18 No. 58.48 W dis. 108 time 25-00 av. speed 4.32 high seas, gale winds, heavy rolling and pitching. Rudder knocking violently. Much difficult steering Ch. Engineer reports that order and command was restored in the engine room. The quantity of lost fuel due to mistake and confusion is 45 tons water about 73 tons.
High seas, gale winds heavy rolling and pitching. vis. poor. Ch. Engineer reports unusual quantity of water starboard engine room bilges.

Mar. 17 Upon inspection of holds sea water was found on No. holdwhich was entered from the broken ventilators which were carried away by the waves.
Noon position: Lat. 37.10 No. lo. 54.10 dis. 66 time 24-00 av. speed 2.75 weather the same.
After taking soundings it was found that the remaining fuel oil on board is not sufficient to reach Baltimore, and boiler water too, because of the

Plaintiff's Exhibit 21.

continuing heavy weather. Weather remains the same.

Mar. 18 The remaining aboard fuel and water is not sufficient to reach our destination Baltimore and it is necessary to proceed to nearest port Bermuda for replenishment.

Noon position: Lat. 37.15 N. lo. 53.03 W dis 90 time 24-00 av. speed 3.75 very rough sea and swell. It is absolutely necessary to proceed to the nearest port for bunkers and water replenishment.

In position: Lat. 37.15 N lo. 57.00 W this time altered course heading to Bermuda for bunkers and water. Rough sea, heavy rolling, cargo hold bilges No. 1 and 3 pumped out.

Mar. 19 Ch. Engineer reports damage to starboard boiler . Steaming with the scotch boiler. Noon position: Lat. 36.06 lo. 58.11 W dis 137 time 24-00 av. speed 5.7 very rough sea, vessel rolling. The engineers

Mar. 19 (Continued) continue repairing port and starboard boilers. Same weather as above.

Mar. 20 Noon position: Lat. 35.10 N lo. 57.19 W dis 77 time 24-00 av. speed 3.20 very rough sea gale winds, heavy rolling, much knocking of rudder and steering engine. Port and starboard boilers repaired, steaming with both boilers, and disconnected scotch boiler.

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Same weather conditions as above.

Mar. 21 Noon position: Lat. 34.43 N lo. 6011 W dis 52 time 24-00 av speed 2.10 very rough sea gale winds, rain, vis. moderate. Same weather as above.

Mar. 22 Noon position: Lat. 33.31 N lo. 62.30 W dis 135 time 24-00 av. speed 5.62 gale winds very rough sea and swell, rain, vis. bad.

Weather conditions remain the same.

Mar. 23 Arrived off Bermuda. Receiver cable from Bermuda Agents, due heavy weather pilotage discontinued.

Rounding off BUrmuda awaiting orders.

R Rounding off Bermuda awaiting orders.

Mar. 24 Proceeding to pilot station.

Pilot on board, full ahead.

Made fast alongside bunkering pier.

Port Authorities boarded.

Mar. 25 Started receiving water.

Started bunkering.

Finished bunkering, received 198.5 L/tons

Continued receiving water.

Chief Engineer reports that port boiler is leaking, port boiler shut down and is being repaired by the engineers.

Mar. 26 Finished receiving water, repairs to port boiler continued. Port boiler repaired, preparation for departure. SBE, ready for sailing, awaiting pilot.

Plaintiff's Exhibit 21.

Mar. 26 (Continued)

Agents notified us that pilot will board tomorrow morning.

Mar. 27

Pilot on board, let go lines.

Clear from pier, full ahead.

POlot left, full away for our destination.

Stop engine Ch. Engineer reports fault to the fan of the boilers.

Dropped the anchor for repairing the fan.

The boilers fan repaired, anchor aweigh.

Full away.

VEry strong wind, rough sea, rain vis. moderate.

Mar. 28

Noon position: Lat. 33.15 N lo. 67.14 W dis 136 time 22-00 av. speed 6.2 rough sea, strong wind vessel rolling, rain vis. moderate.

Weather remains the same.

Mar. 29

Noon position: Lat. 34.15 N lo. 69.34 W dis 125 time 25-00 av. speed 5.00 very rough sea, heavy swell and rolling.

Weather worsening whole gale winds high seas, heavy massive swell vis. mod. Very high seas whole gale to storm.

Mooring line 8" taken away.

Mar. 30

Ch. Engineer reported starboard boiler disconnected, out of service as severely damaged due to loss of water. Started the scotch boiler in service.

Noon position: 35.00 N Lo. 71.18 W dis 96 tim

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24-00 av. speed 4.00 gale winds very high seas.

Gale winds very high seas, heavy swell and rolling.

Mar. 31 Noon position: Lat. 35.45 N lo. 73.05 W dis 99

time 24-00 av. speed 4.10 heavy swell, high seas.

High seas, heavy massive swell, rudder and steering gear pounding.

Apr. 1 Noon position: Lat. 36.32 N Lo. 75.10 W dis 108

time 24-00 av. speed 4.50 very rough sea vessel rolling and pitching heavily, rain, vis. mod.

Loud knocking and much vibrations aft steering difficult.

Same weather conditions

Apr. 2 SBE, proceeding to C. Henry pilot station.

Stop engine.

Pilot on board.

Full ahead for Baltimore under pilot's direction.

Rainy weather, vis. moderate.

Apr. 3 Stop engine

Slow speed

Half speed

At Fort Carrol (entrance to Baltimore) two tug boats alongside made fast.

Proceeding to pier, changed pilots.

Started mooring

Port Authorities boarded

Plaintiff's Exhibit 21.

All fast alongside discharging pier, F.W.E.

Pilot left

Free pratique granted

Gangs aboard started discharging.

THIRD CASUALTY: In consequence of crew negligence to the vessel's three boilers precipitated while vessel was being battered by extremely heavy weather during February, March and April 1964, on laden voyage from Flushing, Netherlands to Baltimore, Maryland, U.S.A.

ENGINE ROOM LOG BOOK ABSTRACT

DATE	TIME	REMARKS
Febr. 24	1145	Flushing pilot left.
Febr. 25	1130	During the transfer of water from the tanks into the hot well by mistake the valve left opened and a large quantity of water was lost.
Febr. 27	0007	Order from the bridge due heavy weather, reduce revolutions. Engine is suffering.

THIRD CASUALTY (Continued):

Febr. 28	2040	During the transfer of fuel owing to heavy rolling and pitching of the vessel by mistake fuel was pumped out at sea.
Febr. 29	0155	Order from bridge, increase revolutions because vessel is not under command. Much vibration of steering engine and rudder.
	0600	Soundings of the fuel tank were taken and it was found that the lost fuel oil by mistake is about 82 tons.

Plaintiff's Exhibit 21.

Mar. 1		Master informed that the remaining fuel oil on board is not sufficient for our destinations.
Mar. 2		Evaporator in use continuously. Use of seawater necessary.
Mar. 3		Evaporator in use continuously. Use of sea water necessary. Boilers blow out.
Mar. 4	0650	Arrived Azores, for bunkers and boiler water.
Mar. 9	0125	Due to heavy rolling the inboard generaotr lost all the oil and stopped with damage to the bearings. Outboard generator put in service. Stbd. fwd. Fuel Oil heater leaking.
Mar. 13	1850	Blackout due to main switchboard damage from sea-water coming from the skylight. Wire and connections grounded from water, temporary wiring and connections made.
	2120	Order from bridge to prepare the scotch boiler because due to heavy weather the vessel is steering very hard. Preparation of scotch boiler; Engine is suffering heavily due to bad weather and dangerous rolling; some of the lubrication pipes of the main engine were broken.
Mar. 14	0130	Boilers feed water system (Filtration system) damaged and disconnected. Due to very heavy weather the engine is full open. Strong unusual noises heard from the cylinders and valves. Port boiler disconnected due to damages.

Plaintiff's Exhibit 21.

Mar. 14	0130	Scotch boiler in service. Steaming with starboard and scotch boilers.
	0200	Fuel and water flooded the engine bilges. Much soot and smoke in engine room. During the transfer of fuel oil and owing to confusion and panic in the engine room from the dangerous weather fuel was pumped by mistake in the bilges and flooded the floor. State of engine room was very dangerous, all engine crew in alarm for emergency. Use of sea water to boilers due shortage.
	0400	The pressure was lost in the steering gear and the bridge reports that the steering of the vessel is very difficult. Evaporator in use. The scotch boiler is leaking and salt accumulation observed in boilers water.
	2300	Strong noises heard from the valves of the engines and the packing is leaking steam heavily, also unusual strong noises heard from the engine cylinders.
Mar. 15	0400	The propeller is turning out of the water and heavy knocks come from the tail shaft stern and the tail shaft stern gland is leaking a lot of water. Two aft line shaft bearing heating-bolts loose tightened.
	0800	The main thrust of the engine is loosing the oil from covers and bolts found loose - made tight - added oil.

Plaintiff's Exhibit 21.

	0800	Evaporator continuously in service. Use of sea water. Salt accumulation observed in boiler water.
Mar. 16	1300	Soundings were taken from the fuel oil tanks and it was found that the loss of fuel oil due to mistake is about 45 tons, and the water about 73 tons. Engine room bilges full of water.
Mar. 17	0400	Main circulation pump is working hard. Condenser hot. Vacuum 20. Evaporator in use continuously. Thrust running hot. Added oil.
	2000	Reported to the Master that the remaining fuel and boiler water aboard is not sufficient to reach Baltimore. Oils appeared in boilers feed water.
Mar. 18	0800	Cleaning of the evaporator. Condenser hot - can't get full vacuum.
Mar. 19	1040	Starboard boiler disconnected due to damages. Much soot and smoke in engine room. Steaming with the scotch boiler.
Mar. 20	2330	Port boiler repaired and both starboard and port boilers were put in service. Scotch boiler disconnected. Boilers blown out. Thrust hot - bolts found loose - tightened. Two aft line shaft bearings knocking - tightened. Bolts. Main condenser hot - main engine knocking excessively, running warm.
Mar. 22	0400	Boilers blown out.
Mar. 23	0400	Blown out boiler.
Mar. 24	1500	Pilot on board, entering for bunkers and boiler water.

Plaintiff's Exhibit 21.

Mar.	25	1400	Port boiler disconnected and repaired.
Mar.	26	1620	Port boiler in service.
Mar.	27	1320	Stop engine due to boilers electric fan. Renew brushes and cleaned.
		1425	Boilers fan repaired - full ahead.
Mar.	27	1250	Left Bermuda.
Mar.	30	0845	Starboard boiler disconnected due to loss of water, extensive damages. The Master was informed.
		1200	In use port and scotch boilers.
Mar.	30	1200	Due to heavy pounding of the ship the main circulation pump was losing the suction, the vacuum was decreased and the main condenser overheated. Reduced revolutions. Knocks in the tailshaft - two aft line shaft bearings hot and vibrating. Bolts loose - made tight. Boilers blown out.
Mar.	31	0400	Boilers blown out.
		2000	Main circulation pump is working hard. Condenser hot. Main engine knocking - running warm, much vibrations with rudder and steering engine.
		2400	Boilers blown out.
Apr.	1	2400	Boilers blown out.
Apr.	2	0400	Observed high consumption of water of the scotch boiler. Two aft line shaft bearing vibration - tightened bolts - rudder banging excessively. Boilers blown out.
		0515	Pilot on board. Cape Henry.
Apr.	3	0725	Arrived Baltimore. -

(signed by Chief Engineer).

Plaintiff's Exhibit 21.

Marine Surveyor's Statement

From the deck log books, it is clearly ascertained that the vessel encountered exceptionally heavy weather during the voyage, the severity of which was further attested to by the extent of damage sustained and noted at the time the undersigned boarded the vessel, upon arrival in Baltimore, on April 3, 1964.

The Master stated that it was necessary to put into the Azores and Bermuda respectively, because of the loss of fuel oil and fresh water experienced during periods of violent weather conditions when the engine room personnel were concerned for their physical well being.

It was determined that during the transfer of boiler water, February 25, 1964, from the double bottom tank, a valve in the system inadvertently was left open allowing for a substantial loss of fresh water to the bilges, subsequently necessitating the use of sea water in the boiler feed system. Also, during the extreme weather conditions, fuel oil was pumped overboard inadvertently in addition to being pumped into the engine room bilges.

Marine Surveyor's Statement (Continued):

During extremely severe heavy weather on March 13, 1964, a black-[illegible] in the engine room occured because of sea water entering through the engine room skylight and wetting the wiring of the main switchboard grounding same. The weather continued to be severe and control of the ship was difficult and the men in the engine room became uncontrollable. With the men in such a state of panic in the engine room, some fuel oil and fresh water inadvertently was pumped into the engine room bilges. A very difficult time existed.

Plaintiff's Exhibit 21.

In view of 1) The conditions found, 2) Quantity of water and fuel oil abcard the vessel at time of vessel's commencement of the Atlantic Ocean crossing, as compared to vessel's calculated normal consumption of fuel and water for subject crossing, 3) Problems experienced, it is the opinion of the undersigned, that the damage to the boilers is directly related to "crew negligence" and that the necessity of acquiring bunkers and water at the Azores and Bermuda, is attributable to the extremely heavy weather encountered, correlated in part with the foregoing negligence.

Rendering this report without prejudice,

Michael G. Markogianis,
- Marine Surveyor

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N A R R A T I V E The undersigned boarded the vessel upon its arrival, in Baltimore, to determine if possible, why the voyage took 39 days, when the subject voyage normally was considred to be an average of 18 days for the vessel and, to further determine the need for diverting the vessel into the Azores and Bermuda respectively during the voyage.

After a brief, but informative discussion with the Master and the Chief Engineer and a review of the vessel's log books, the undersigned made a thorough inspection of the vessel noting the vivid and extensive heavy weather damages sustained and the severe damages sustained by the boilers in consequence of the crew's negligence.

In view of the foregoing findings, the writer made the necessary arrangements to effect repairs, as damage repairs were absolutely essential before the vessel would be able to sail.

Plaintiff's Exhibit 21.

N A R R A T I V E (Continued):

Subsequently, the undeesigned met with the representatives of the "Classification Society", vessel's "Underwriters" and the "Shipyard", Messrs.:

J.X. Erbe, representing BUREAU VERITAS
W.E. Brown, " " "
A. Boyt, " Maryland Shipbuilding and Drydock Company
E.R. Jones, representing Salvage Association, London.

In conjunction with all attending interests, the vessel was thoroughly examined, as far as possible, and the undersigned Surveyor prepared suitable specifications covering the necessary damage repairs which were discussed and agreed to by all concerned as follows:

FIRST CASUALTY: Striking lock wall - Damages, Feb. 7 & 8, 1964:

FOUND	RECOMMENDED
Plate "G9", starboard side, set in over full length, with two riv ets slack and leaking.	Plate "G9", starboard side, to be renewed, inside plate riveted, 21'-0" x 4'-0" x 20.4#. Two rivets to be renewed. Internals to be dealt with as found necessary. Adjacent edges of plates to be faired.

GENERAL: Necessary drydocking and dry-docking services to be connected and maintained.

Necessary staging to be erected and afterwards removed.

Necessary hose-testing of affected area.

Necessary coating of new and disturbed work.

Plaintiff's Exhibit 21.

The foregoing repairs were effected by the Maryland Shipbuilding and Drydock Company for the sum of $2,604.00 (exclusive of dry-docking charges) which price was negotiated and agreed upon by the Underwriter's Surveyor Mr. E.R. Jones in attendance and the undersigned.

DEFERRED REPAIRS

FOUND	RECOMMENDED
Plate "H7" port side, set in between frames.	Plate "H7" port side, to be renewed, inside plate, riveted, 21'-0" x 5'-6" x 20.4#. Internals to be dealt with as found necessary. Adjacent edges of plates to be faired.

GENERAL: Necessary drydocking and dry-docking services to be connected and maintained.

Necessary staging to be erected and afterwards removed.

Necessary hose-testing of affected area.

Necessary coating of new and disturbed work.

The above work on plate "H7" was deferred at this time due to cargo in hold.

Estimated cost of the above deferred repairs (dry-docking charges excluded) agreed to be in the amount of $2,485.00 (two thousand, four hundred, eighty-five dollars).

Plaintiff's Exhibit 21.

SECOND CASUALTY: HEAVY WEATHER DAMAGES, Feb. 24 - Apr. 3, 1964

FOUND	RECOMMENDED
Forecastle deck:	
Section of fire line distorted and fire hose valve washed overboard.	Section of 1 1/2" fire line shaped and flanged, and hose valve to be renewed - approximately 12 feet.
Two lifebuoys washed overboard.	Two lifebuoys to be renewed by Owners. (Separate bill to be submitted by Owners).
Port and starboard ladders to forecastle distorted.	Ladders to be removed, heated and faired and reinstalled.
Sea water found in Bosun's stores. Water leaking from around port hole.	Port hole to be removed, faired and reinstalled.
One 8" mooring line washed overboard.	One 8" mooring line to be renewed by Owners. (Separate bill to be submitted by Owners.)

Plaintiff's Exhibit 21.

SECOND CASUALTY (Continued):

FOUND	RECOMMENDED
Forward main post port cargo light and two cargo lights on mast for #3 cargo hold washed overboard.	Three cargo lights to be renewed.
Hatches Nos. 1 and 2, two tarpaulins on each hatch damaged.	Four tarpaulins to be renewed by Owners. (Separate bill to be submitted by Owners.)
Hatches Nos. 3, 4 and 5, one tarpaulin on each hatch damaged.	Three tarpaulins to be renewed by Owners. (Separate bill to be submitted by Owners.)
Hatch No. 1 port pipe guards bent and broken and pipe broken.	Pipe guards to be renewed - approximately 50'-0" of 2" x 14" x 2" flanged checkered plate and pipe to be renewed (765#).
Hatch #2 port winch steam crossover pipe washed overboard and supply pipe bent and distorted and aft pipe guards bent and broken.	1 1/2" flanged and shaped crossover pipe to be renewed, approximately 10' supply pipe to be renewed, approximately 5' renewed pipe to be insulated. Pipe guard to be renewed, approximately 20' flanged checkered plate.

Plaintiff's Exhibit 21.

In way of hatch #3, port and starboard, hand rails distorted and section washed overboard.	15'-0" of 3 tier handrail, port side to be faired and 10'0" of 3 tier handrail with cap bar on starboard side, to be renewed.
Hatch No. 3 aft, port and starboard ventilators broken and washed overboard.	Port and starboard ventilators to be renewed- approximately 20" in diameter.
Hatch No. 3 forward port ventilator screen washed overboard.	Forward port ventilator screen to be renewed.
Hatch No. 3, port and starboard pipe guards broken and part washed overboard.	Broken pipe guards to be refastened and approximately 30' of 2" x 14" x 2" flanged checkered plate to be renewed. (459#)

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SECOND CASUALTY (Continued):

FOUND	RECOMMENDED
Top mast No. 2 twisted and bent.	Top mast No. 2 to be removed to shop, faired and reinstalled.
Upper bridge deck:	
Two lifebuoys washed overboard.	Two lifebuoys to be renewed by Owners. (Separate bill to be submitted by Owners.)
Boat deck:	
Port and starboard lifeboat covers torn and provisions damaged.	Port and starboard lifeboat covers and provisions to be renewed by Owners. (Separate bill to be submitted by Owners.)
Handrail starboard side aft bent.	Three tier handrail with cap rail to be faired - approximately 12'.

Plaintiff's Exhibit 21.

02 deck:	
After galley exhaust chimney broken loose and damaged.	Exhaust chimney to be repaired and refastened.
Main deck aft:	
Aluminum accommodation ladder washed overboard.	Aluminum accommodation ladder to be renewed by Owners. (Separate bill to be submitted by Owners.)
Galley fan casing broken, motor torn loose and grounded by water. Controller grounded.	Galley fan casing to be repaired, impeller blasted and balanced, field coils to be renewed, armature turned, undercut and balanced, bearings and brushes renewed. Controller to be renewed and tested after installation.
Hatch No. 4, port and starboard pipe guards broken.	Port and starboard guards to be refastened.
Hatch No. 5, port pipe guard broken loose from deck.	Hatch No. 5, Pipe guards to be rewelded to deck.

SECOND CASUALTY (Continued):

FOUND	RECOMMENDED
Electrical system forward, midshipsand aft grounded by water.	Approximately 305'0" of electric cable to be renewed, 14-2 wire plug boxes. 4 R/S lighting fixtures, 3 junction boxes, 3 R/S switches, 5 R/S sockets to be renewed and 6 lighting fixtures repaired on deck. Approximately 150'0" of cable and 10-2 wire plug boxes to be renewed on forward and after kingposts.

Plaintiff's Exhibit 21.

All cargo lights forward, midships and aft damaged.	Nine cargo lights to be removed, lens renewed, lights overhauled and reinstalled.
Three port hole glasses broken.	Three port hole glasses to be renewed.
Poop deck	
Two lifebuoys washed overboard with lights.	Two lifebuoys to be renewed by Owners. (Separate bill to be submitted by Owners.)
Port forward rail bent and broken.	Three tier handrail with cap bar to be renewed - approximately 20'.
Emergency steering stand torn loose from deck and damaged shaft through deck bent.	Emergency steering stand to be repaired and refastened to deck, shaft removed, renewed and reinstalled.
Emergency steering compass and base washed overboard,	Emergency steering compass and base to be renewed.
Starboard wire spring reel broken loose from base.	Wire spring reel to be refastened to base and wire to be checked.
Steering gear room ventilator washed overboard.	Ventilator to be renewed - approximately 12" diameter.
Stern navigation light washed overboard and feeder cable grounded.	Stern navigation light and bracket to be renewed - approximately 100'0" of electric cable to be renewed.

Plaintiff's Exhibit 21.

SECOND CASUALTY (Continued):

FOUND	RECOMMENDED
SEven drums (4 diesel, 1 gasoline and 2 Tricon chemical) fastened to 02 deck smashed and deck covered with oil and chemicals.	Deck to be cleaned and 4 drums of diesel oil, 1 drum of gasoline and 2 drums of Tricon chemical to be renewed by Owners. (Separate bill to be submitted by Owners.)
Telemotor piping leaking in various places. Telemotor equalizing valve cracked.	Leaking joints to be made up, piping to be removed and replaced and equalizing valve renewed and system to be filled and tested.
Sea water found in aft crew quarters and officer's smoke room.	24 sq. ft. of damged sheathing to be removed in aft crew's quarters, leaking rivets and seam to be caulked, 24 sq. ft. of plywood sheathing to be renewed, 20 sq. ft. of damaged sheathing to be renewed in officer's smoke room, two windows approximately 14" x 24" to be removed, faired and reinstalled, 20 sq. ft. of plywood sheathing to be renewed.
Main engine:	
13 main engine holding down bolts broken,	Manhole covers to be removed from No. 4 port and starboard double bottom tanks, local cleaning to be accomplished in way of broken bolts, 13 bolts to be machined and installed with washers and 2 nuts, manholes to be closed up and proved tight, remainder of bolts to be checked and tightened as found necessary.

Plaintiff's Exhibit 21.

No. 4 aft L.P. crankshaft bearing pounded.	Bearing to be removed to shop, remetalled and machined, returned to ship and reinstalled.
Thrust bearing:	Thrust bearing to be opened, clearance checked and thrust collar dressed by stoning. Bearing to be closed up

SECOND CASUALTY (Continued):

FOUND	RECOMMENDED
Thrust Bearing (Continued):	with new oil. Holding down bolts to be checked and tightened.
Line shaft bearings:	
Forward line shaft bearing foundation bolts slack.	Bearing to be opened for examination, and closed in good order. Bolts to be tightened.
Aft line shaft bearings:	Two aft line shaft bearings to be opened for examination and closed in good order.
Inboard steam generator:	
Four main, two crank, one eccentric, two crosshead and two generator bearings wiped.	Steam piping to be disconnected, pistons disconnected and cylinder housing removed. Coupling between steam end and generator end to be broken. Crankshaft to be taken to shop, set up in lathe, checked for truth, journals polished and oil holes cleared. Four main, two crank, one eccentric, two crosshead and two generator bearings to be remetalled and machined. Sump to be cleaned.

Plaintiff's Exhibit 21.

Oil cooler tubes plugged and leaking.	Oil cooler to be opened and tubes cleared and rerolled, 3 tubes to be renewed, heads to be skimmed, cooler to be tested and closed up. Generator to be taken to shop, cleaned and checked.
Armature shaft grooved, commutators mica V-rings burned out to ground, armature and coils grounded, field coils shorted and grounded, brush rigging insulators burned to ground.	Oil selas to be renewed, shaft to be welded and machined in way of grooves, remica the V-rings and comutator bars, armature to be reinsulated and rewound, armature to be dipped and baked, commutator to be turned down, mica to be undercut, armature to be balanced, all

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SECOND CASUALTY (Continued):

FOUND	RECOMMENDED
Inboard steam generator (Continued)	salt deposits to be removed from brush holders, brush rigging to be reinsulated, six field coils and interpoles to be removed, rewound, dipped in varnish and baked, coils to be reinstalled and connected, generator to be assembled and tested. Genrator to be returned to ship and and reinstalled. All bearings to be fitted and installed. Genrator and and steam end to be coupled. All removals to be reinstalled. Generator to be tested.

Plaintiff's Exhibit 21.

Main switchboard:	
Main switchboard and starboard engine room electrical system grounded due to the entrance of sea water through the skylight.	Four 100 amp switches and fuse block assemblies to be renewed, twelve 30 amp switches and fuse block assemblies to be renewed, three voltmeters to be renewed, nine ampmeters to be renewed, ten switches to be removed, cleaned and reinstalled. All contacts to be cleaned, starboard electrical system to be checked.
Steering engine steam control valve cage and valve broken.	Steering engine and control valve to be opened for examination, new valve cage and valve to be machined and installed, steering engine and valve to be closed and tested.
Rudder carrier:	
Rudder carrier bearing subjected to excessive strain due to pounding of rudder.	Carrier bearing to be opened, examined and closed up.

Plaintiff's Exhibit 21.

SECOND CASUALTY (Continued):

FOUND	RECOMMENDED
Rudder:	
Rudder stock bottom securing nut missing, threads broken, taper water scored, upper and lower rudder stock liners scored and pounded, lignum vitae staves in upper and lower bushings pounded, broken and missing.	Cement around vertical palm to be broken loose. Rudder to be unshipped and taken to shop. Rudder stock to be removed from rudder. Rudder stock to be welded in way of taper and threads. Rudder stock to be put in lathe, taper machined, threads chased and liners skimmed. Rudder to be rewooded and machined. Nut to be fabricated to suit rudder stock. Boring bar to be set up and skeg bored. Steel bushing to be machined to suit taper of rudder stock, pressed into skeg and seal welded. Rudder stock and rudder to be moved to ship and connected up. Cement to be installed around vertical palm.
Engine room tanktop:	
Plate "H-11" port side cracked.	Plate "H-11" port side to be removed and renewed, inside plate, riveted, 21' x 5'6" x 17.85# (2062#). Internals to be dealt with as found necessary. Adjacent edges of plates to be faired.

Plaintiff's Exhibit 21.

Two holes punched in port "F-3" shell plate by shifting cargo.	Two spigot patches to be installed in way of holes. (Services of air compressor and barge to pump out water in No. 1 hold.)
Lower sections of sounding pipes in No. 1 hold, port and starboard, damaged by shifting	Sounding pipes to be cropped and renewed 2" dia. x 12' long with clips.

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SECOND CASUALTY (Continued):

FOUND	RECOMMENDED
Ice machine: Controller grounded due to entrance of sea water through port hole.	Ice machine controller to be renewed.
Transverse angle at main deck to aft and midship house cracked at five locations.	Transverse angle to be cropped at five locations and a new section welded at each location - 3" x 3" x 1/2" angle, 24" long.
After peak forward bulkhead, starboard side cracked at shell bracket clip, 3rd bracket above shaft tunnel.	After peak bulkhead to have welded doubler installed over crack.
After peak, after bulkhead cracked.	Doubler 12" x 12" x 20.4# to be welded over crack.

Plaintiff's Exhibit 21.

Nine rivets leaking.	Nine rivets to be welded and caulked. Approximately 300 sq. ft. of tank top to be removed in No. 1 hold, tank top to be cleaned and coated with tar, 900 sq. ft. of single layer 3" x 12" ceiling with 2 1/8" sleepers to be installed. (Separate bill to be submitted by Owners.)

GENERAL:

Necessary drydocking (1 haul, 4 lay days).

Necessary services to be connected up and maintained during drydocking period.

Necessary services of towboats, in and out of yard.

Necessary staging to be erected and afterward removed.

Necessary transportation to and from vessel out of yard.

Necessary services of welding barge out of yard.

Necessary dock trial to be condicted by crew - yard personnel to stand by.

Necessary hose testing of affected areas.

Necessary coating of new and disturbed work.

Plaintiff's Exhibit 21.

SECOND CASUALTY (CONTINUED):

GENERAL (CONTINUED)

Manhole cover to after peak tank to be opened and closed.

After peak tank to be certified gas-free.

After peak tank to be tested.

Main deck to be hose-tested in way of repairs.

Necessary removal and replacement of insulation and sheathing, in reefer boxes in way of angle renewal, approximately 2 sq. ft. at each location.

NOTE:

The vessel's last drydocking was held in November, 1963.

The foregoing repairs were effected by the Maryland Shipbuilding and Drydock Company for the sum of $53,799.00 (Fifty-three thousand, seven hundred and ninety-nine dollars) which price was negotiated and agreed upon by the Underwriter's Surveyor in attendance, Mr. E. R. Jones, and the undersigned.

The Master and Chief Engineer reported, as per the ship's log books and as per survey made and agreed upon by the Underwriter's Surveyor and the Classification Surveyors, that the following list of equipment, provisions etc. were lost and/or completely damaged on deck and in the engine department due to heavy weather during the voyage from Flushing, Netherlands to Baltimore, Maryland, between the dates of February 24, 1964 and April 3, 1964:

Plaintiff's Exhibit 21.

Starboard lifeboat	Port lifeboat
6 red hand flares	6 red hand flares
4 parachute flares	4 parachute flares
2 orange smoke floats	2 orange smoke floats
1 fire aid kit	1 case condensed milk
1 case condensed milk	6 life jackets
1 lifebuoy	26 cans (2 lbs. ea.) rations
1 light heaving line	1 flare gun
26 cans (2 lbs. ea.) rations	
4 lifejackets	
1 portable gas lamp	
1 sea anchor - 36 cans of emergency water	
2 lifeboat tarpaulins, cover 25' x 8'	7 hatch tarpaulins
4 lifebuoys with self-igniting lights	4 hoses 2" x 50' each
1 accommodation ladder, aluminum	3 drums engine oil
120 fathoms, manila, 8" mooring line	3 drums dynamo oil
1 gasoline welding machine	1 drum cylinder oil
60 fathoms, 3", manila line for securing hatches	4 drums diesel oil
82 tons Bunker "C"	2 drums Tricon chemical
45 tons Bunker "C"	1 drum gasoline

As per agreement with the Underwriter's Surveyor, Mr. E. R. Jones, Owners were to submit a separate bill for the aforementioned items with costs. Subsequently, the Owners submitted Invoices as follows:

Plaintiff's Exhibit 21.

New Star Ship Supply Co., Baltimore, dated June 6, 1964

Invoice		$ 767.65
		6764.90
		$ 7532.55

Less credit for item for manila

rope originally billed for 3175 lbs.	$1968.50	
Actually was 1375 lbs.	852.50	
	$1116.00	$ 1116.00
	Corrected total	$ 6416.55

4 drums Diesel oil	gals. 220	at .143		31.46
Cost of 4 empty drums			2.65	10.60
(see invoice No. B 004656 Gulf Oil Co.)				
2 - 20 gal. drums Tricon Chemical	gal.40		4.25	170.00
(Invoice C-12-1909 6/1-/64 Drew Chem.Corp.)				
3 drums Engine oil - Gulf ME 077	gals. 165	.697		115.01
1 " Cylinder oil Gulf Sigma 217	55	.9095		50.02
2 " Dynamo oil - Gulf Harmony 53	110	.816		89.76
1 " " " - Mobile DTE Hvy med.	55	.828		45.54
(See invoices:) Gulf Oil Trad. Co. B 008498 7/21/64)				
Mobile Oil Co. 647-357-3 8/22/64				
127 tons Fuel oil Bunker C		15.3188		1945.48
(Invoice Shell oil Co. F-75 6/12/64)				
1 Drum 42 gal. Gasoline Oil C		29.		12.18

Heavy weather damage repairs which were included in my damage specification were in accordance with the vessel's log book abstract and inspections made together with the Surveyors for Underwriters and the Classification Society. During the repair periods by the Maryland Shipbuilding and Drydock Company in Baltimore, other repairs were made by shore contractors together with the ship's crew as described in the following, which repairs were not included in the report by the Underwriter's Surveyor, in order to reduce the costs as per agreement with the subject Surveyor acting for Underwriters and the undersigned Surveyor acting for the Owners. The Owners are to submit separate Invoices for labor and material for the aforementioned repairs. For further particulars, see Bureau Veritas' Survey Reports No. SS-5582-3 and the vessel's log book abstracts.

Plaintiff's Exhibit 21.

No. 1 cargo hold's tank top ceiling damage repairs:

Due to plate damages including cracks and leaks, the tank top ceiling was to be removed, tank top cleaned and painted and a new ceiling to be furnished and installed. The Maryland Shipbuilding and Drydock Company's price for this work was $2200.00 (including labor and material). The work was done by the crew with lumber furnished by the New Star Ship Supply Compay for the sum of $1246.50 (One thousand two hundred forty-six dollars). See Master's Statment and the New Star Supply Company's Invoice dated June 6, 1964.

Main engine, subjected to severe vibrations due to propeller running out of water on February 27 and 29, March9, 13, 14, 15, 20 and 31, 1964:

The after L.P. cylinder was opened, examined and one piston ring was found broken with the other ring in a bad condition. Both rings were renewed and the cylinder closed in good order to the satisfaction of the Classification's and the Underwriter's Surveyors.

The forward H.P. cylinder was opened and examined and the piston ring set (Lockwood and Carlisle) found completely broken. The piston ring set was renewed and the cylinder closed in good order to the satisfaction of the Classification's and the Underwriter's Surveyors. One broken stud was also renewed.

The after L.P. poppet valve was opened and a broken spring found. The broekn spring was renewed and the valve was closed in good order.

The forward H.P. poppet valve was opened and a broken poppet valve found. The broken valve was renewed and the H.P. poppet valve assembly closed in good order.

Plaintiff's Exhibit 21.

The aforementioned broken parts only, cost $1043.00 (One thousand forty-three dollars). See Neptune Machine Works' Invoice No.6373. Also see photographs of the broken parts.

Main condensor, damage due to loosening of the circulating pump and dropping of the vacuum on March 17, 18, 20, 30 and 31, 1964: Condensor was opened and examined, three cracked tubes renewed, four leaks plugged and about 150 leaking tube packings tightened.

Main condensor (Continued):

After completion of repairs, the condensor was tested, proven tight and closed to the satisfaction of the Classification's and Underwriter's Surveyors.

Main air pump, damage due to loosening of the circulating pump and dropping of the vacuum on March 17, 18, 20, 30 and 31, 1964:

The air pump was opened, examined, one steam ring found broken and broken ring was renewed. One liquid piston bronze ring found broken was renewed. Several valve seats were found cracked, seats and discs were renewed and the pump closed to the satisfaction of the Classification's and Underwriter's Surveyors.

Main circulating pump, damage due to the loosening of the circulating pump and the dropping of the vacuum on March 17, 18, 20, 30 and 31, 1964:

The pump was opened, examined, packing renewed, housing coated, bearings adjusted, closed, tested and proved in good order to the satisfaction of the Classification's and Underwriter's Surveyors.

For the aforementioned four damage repair items, the cost of labor only was in the amount of $1290.50 (One thousand two hundred ninety dollars and fifty cents), as per Neptune Machine Works' Invoice No. 2751 for $525.00 (Five hundred twenty-five dollars) Trans Marine Shipping Agency, Inc., receipt dated June 18, 1964, for $301.00 (Three hundred one dollars) and receipt dated June 12, 1964, for $464.50 (Four hundred sixty-four dollars and fifty cents).

Plaintiff's Exhibit 21.

Welding machine damages:

For these damage repairs, the Maryland Shipbuilding and Drydock Company had asked the amount of $630.00, but; as per agreement between the Underwriter's Surveyor and the undersigned, instead of spending $630.00 for repairs, the Owners replaced the damaged machine for the sum of $580.00 (Five hundred eighty dollars), which amount is included in the New Star Ship Supply Company's Invoice dated June 6, 1964.

Boiler's feed water filtration system pump:

This pump was broken on March 14, 1964 during the catastrophic weather conditions, together with the other damages of the boilers, engine etc. (see engine log book abstract). This broken pump was repaired by Maryland Shipbuilding and Drydock Co., as per invoice No. 5824B-A for the amount of Two Hundred Twenty Nine Dollars ($229.00) to the satisfaction of Underwriters and Bureau Veritas surveyors.

THIRD CASUALTY: Crew negligence February 24 to April 3, 1964:

FOUND	RECOMMENDED
Machinery space bilges covered with oil.	Machinery space bilges to be cleaned and certified gas-free.
Scotch boiler:	
Subjected to overheating due to loss of water under operating conditions.	Three furnace door fronts, three tube nest door fronts and manholes to be opened for examination of fire and water sides of the boiler.

Plaintiff's Exhibit 21.

Water sides of boiler heavily fouled with sludge.	Watersides of boiler to be thoroughly cleaned and washed down.
Three combustion chamber interiors heavily scaled and salt adhered to tube sheets.	Thoroughly scale, wirebrush and clean three combustion chambers and tube sheets.
Three furnace interiors heavily coated with salt and scale.	Three furnaces to be chipped and scaled clean of all salt and scale for examination.
	Three furnaces to be trammed.
Port, center and starboard furnaces sagged down approximately 2".	Three furnaces to be re-aligned. Two reinforcing rings to be fitted to each furnace.
All tubes plugged with salt.	All tubes to be cleared of salt.
	Watersides of boiler to be closed up and a hydrostatic test applied.
	Superheater tubes to be removed and replaced.
	Hydrostatic test to be applied to superheater tubes.
<u>Port outboard furnace:</u>	
Thirty-six (36) plain tubes solid with salt.	Thirty-six (36) plain tubes to be renewed.
Eleven (11) stay tubes plugged solid with salt.	Eleven (11) stay tubes to be renewed.
Twenty-one (21) staybolts leaking on fire side.	Twenty-one (21) nuts to be removed staybolts caulked and nuts replaced.
Thirty-five rivets (35) leaking on horse collar.	Thirty-five (35) rivets to be caulked.

Plaintiff's Exhibit 21.

Scotch boiler, Port outboard furnace (Continued):

FOUND	RECOMMENDED
4'0" of seam leaking at horse collar.	4'0" of seam to be caulked.
One stayrod nut leaking.	Nut to be removed, stayrod to be caulked and nut replaced.
Center furnace:	
Forty-eight (48) plain tubes plugged solid with salt.	Forty-eight (48) plain tubes to be renewed.
Twenty-one (21) stay tubes plugged solid with salt.	Twenty-one (21) stay tubes to be renewed.
Fifty-one (51) stay bolts leaking on firesides.	Fifty-one (51) nuts to be removed, stay bolts caulked and nuts replaced.
Sixty-two rivets (62) leaking around horse collar.	Sixty-two rivets (620 to be caulked.
5'0" of seam cracked at horse collar.	5'0" of seam to be chipped out and welded.
Starboard furnace:	
Twenty-seven (27) plain tubes plugged solid with salt.	Twenty-seven (27) plain tubes to be renewed.
Seven (7) stay tubes plugged solid with salt.	Seven (7) stay tubes to be renewed.
Seventeen (17) tubes leaking.	Seventeen (17) tubes to be rerolled.
Sixty (60) rivets leaking around horse collar.	Sixty (60) rivets to be caulked.

Plaintiff's Exhibit 21.

One (1) stay rod leaking.	One (1) stay rod nut to be removed, stay rod to be caulked and nut replaced.
4'0" of seam leaking at horse collar.	4'0" of seam to be caulked.
Nineteen (19) stay bolts leaking in scattered locations.	Nineteen (19) stay bolts' nuts to be removed, stay bolts caulked and nuts replaced.
Outboard side of combustion chamber sheet is buckled in way of stay bolt area.	Twelve (12) staybolts to be removed, Wrapper sheet to be renewed - approximately 28" x 59". All tubes not renewed to be turbined.

Scotch boiler, starboard furnace (Continued):

FOUND	RECOMMENDED
Three sootblowers subjected to excessive heat.	Three (3) sootblowers to be removed, overhauled and reinstalled. Hydrostatic test to be applied and boiler examined for additional leaks. After all repairs, boiler to be chemically cleaned and washed down. Boiler to be closed up with new gaskets and a hydrostatic test applied. Boiler to be steamed, safety valves adjusted and set and boiler left ready for use. Three doors to be removed to shop, faired, insulation to be renewed and doors returned to ship.

Plaintiff's Exhibit 21.

	Access openings to be cut in forward bulkhead for tube removal and installation of reinforcing rings. Two hundred fifty-seven (257) air heater tubes to be turbined andcleaned.
Starboard "Lamont boiler": Subjected to overheating due to shortage of water, use of raw water at sea, heavy accumulation of salt, scale and soot.	Fire and watersides of boiler to be opened for examination. Fire and watersides to be washed down. Inboard and outboard sides, back wall casing and brickwork to be removed. Air duct casing to be remove'. Gratings and piping in way of superheater headers and in way of casing removals to be removed. Superheater tube banks and headers to be removed to shop. Superheater tube bank and headers to be cleaned and hydrostatically tested. Drum internals to be removed for examination, replaced and tested.

Plaintiff's Exhibit 21.

THIRD CASUALTY, Starboard Lamont boiler (Continued):

FOUND	RECOMMENDED
	Economizer tubes to be tested.
	Forty-five (45) generator tubes to be removed. Forty-five (45) generator tubes to be fabricated and installed.
	Thirty-nine (39) generator tubes to be cropped and partly renewed in floor section of tube approximately 12'0" long each, rolled one end, welded other end with two bends.
	Thirty-nine (39) generator tubes to be cropped and partly renewed at steam drum approximately 2'0" long each, rolled one end, welded other end with one bend.
	Hydrostatic test to be applied.
	Two side wall tubes to be fabricated and installed.
	Three side wall tubes to be cropped and partly renewed 15'0" long each, rolled one end, welded other end with one bend.
	Nine rear wall tubes to be cropped and partly renewed approximately 14'0" long each, welded both ends with two bends.

Plaintiff's Exhibit 21.

Hydrostatic test to be applied.
Section of casing to be renewed approximately 10'0" x 2'0".
Sootblowers to be removed for examination and reinstalled.
Section of casing frame to be removed for retubing and reinstalled.
Casing frames to be faired.

THIRD CASUALTY, starboard "Lamont boiler" (Continued):

FOUND

RECOMMENDED

Two layers 1/4" thick wall board to be renewed.
Side wall brick work to be renewed.
Front and rear wall brick work to be renewed.
Floor brick work to be renewed.
Economizer brick work to be renewed.
Superheater tube bank to be reinstalled.
Inboard and outboard sides and back casing to be reinstalled with new gaskets.
Air duct to be reinstalled.
Piping to be reinstalled and damaged insulation renewed.
Boiler to be hydrostatically tested.
Boiler to be chemically cleaned.

Plaintiff's Exhibit P1.

	All handhole and manhole openings to be closed with new gaskets. Boiler to be hydrostatically tested. Boiler to be steamed, safety valves adjusted and set and boiler left ready for use.
Port "Lamont boiler":	
Subjected to overheating due to shortage of water, use of raw sea water, heavy accumulation of salt, scale and soot.	Fire and watersides of boiler to be opened for examination. Fire and watersides to be washed down. Inboard casing and brickwork to be removed. Superheater tube bank and headers to be tested. Economizer tubes to be tested. Inboard casing and insulation to be replaced.

THIRD CASUALTY, Port "Lamont boiler (Continued):

FOUND	RECOMMENDED
	Steam and water pipes to be blanked off and valves to be ground for tightness. Outboard sides, back wall casing and brickwork to be removed. Air duct casing to be removed. Gratings and piping in way of superheater headers and in way of casing removals to be removed.

Plaintiff's Exhibit 21.

Superheater tube bank and headers to be removed to shop.

Drum internals to be removed for examination, replaced and tested.

Eighty-four (84) generator tubes to be fabricated and installed.

Twenty (20) side wall tubes to be fabricated and installed.

Scot blowers to be removed for examination and reinstalled.

Section of casing frame to be removed for retubing and reinstalled.

Casing frames to be faired.

Casing to be faired.

Two layers 1/4" thick mill board to be renewed.

Side wall brickwork to be renewed.

Front and rear wall brick to be renewed.

Floor brickwork to be renewed.

Economizer brick work to be renewed.

Superheater tube bank to be reinstalled.

Outboard sides and back casing to be reinstalled with new gaskets.

Air duct to be reinstalled.

Plaintiff's Exhibit 21.

THIRD CASUALTY, port "Lamont" boiler (continued)

BEST COPY AVAILABLE

FOUND

RECOMMENDED

Piping to be reinstalled and damaged insulation renewed.
Boiler to be hydrostatically tested.
Boiler to be chemically cleaned.
All handhole and manhole openings to be closed up with new gaskets.
Boiler to be hydrostatically tested.
Boiler to be steamed, safety valves set and adjusted and boiler left ready for use

GENERAL

Feed water system to be chemically cleaned.
Feed water system to be hydrostatically tested.
Steam piping to be hydrostatically tested.
Boilers to be steamed by shipyard.
Necessary staging to be erected and afterwards removed.
All debris to be removed from machinery space.
Necessary removals to be replaced.

Repairs for the foregoing were effected by the Maryland Ship-Building and Drydock Company, the costs of which were negotiated and agreed upon by the Underwriters' Surveyor in attendance, Mr.E.R. Jones and the undersigned, as follows:

A. SCOTCH BOILER

Thirty-eight Thousand Five Hundred Thirty Six Dollars

($38,532.00)

Plaintiff's Exhibit 21.

B. STARBOARD LAMONT BOILER

Fifty Thousand Five Hundred Thirty Two Dollars

($50,532.00)

C. PORT LAMONT BOILER

The repair of the above boiler was deferred because of the cargo on board. To have proceeded with repairs would have caused a long delay in delivering the cargo in New Orleans and further delay in acquiring the tube materials.

It was at first decided to proceed with the repairs of the aforementioned port Lamont boiler and it was agreed by the Maryland Shipbuilding and Drydock Company to effect the work for the sum of $49,340.00 (Forty-nine thousand three hundred forty dollars), which price was agreeable to the Underwriter's Surveyor in attendance, Mr. E. R. Jones and the undersigned. However, in view of the extensive delays that would have occurred as mentioned above, the Owners finally decided to defer the repairs to a later date.

The cost of the work that was done on the above boiler for opening, cleaning, testing, examination for defects only (crew installed) for the starboard side opening, was agreed for the total of $2,685.00 (Two thousand six hundred eighty-five dollars).

The insulation material alone cost $615.00 (Six hundred fifteen dollars).

The "General" items of all boilers cost the sum of Six Hundred Fifty Dollars ($650.00).

The total cost for the above boilers for repairs that were done by the Maryland Shipbuilding and Drydock Company amounted to $92,403.00

Plaintiff's Exhibit 21.

(Ninety-two thousand four hundred three dollars).

NOTES: "A": The agreed cost for providing the services for steam, electricity, circulating water, fire lines and garbage disposal for the period of repairs, for all three casualties, was $6,200.00 (Six thousand two hundred dollars).

NOTES: "B": Dry-docking charges for the First Casualty are reflected in the cost of repairs arising from the Second Casualty. If done alone, one (1) haul and one (1) lay day on dry dock would be required.

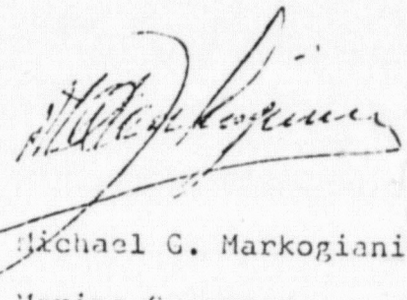
Vessel arrived at Baltimore, Md.	April 3, 1964
Inspection of vessel commenced by Underwriter's Surveyor, Bureau Veritas Surveyors and representatives of the Maryland Shipbuilding and DRydock Company and the undersigned Surveyor,	April 3, 1964
Repairs commenced	April 3, 1964
Repairs completed	June 16, 1964
Vessel dry-docked	April 9, 1964
Vessel undocked	April 12, 1964
Vessel redocked	April 27, 1964
Vessel undocked	May 1, 1964

Repairs were carried out in accordance with the aforestated specifications, to the complete satisfaction of the Underwriter's Surveyor, Classification Society Surveyors, the undersigned and the vessel's personnel, excluding the deferred repairs, which are to be effected at a later date.

Plaintiff's Exhibit 21.

The vessel was retained in the present highest Class and certified accordingly.

Rendering this report without prejudice.



Michael G. Markogianis,

Marine Surveyor

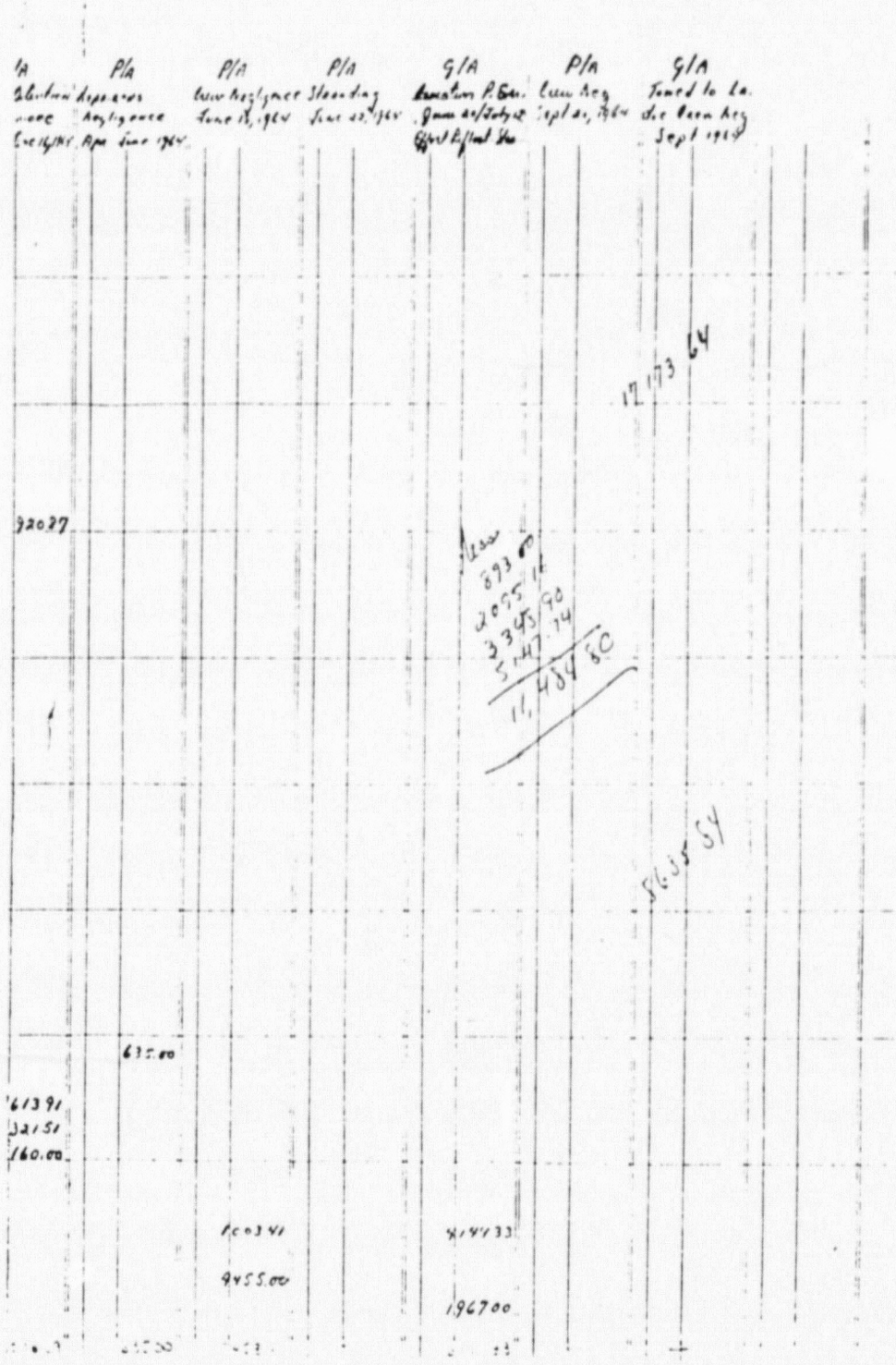
Plaintiff's Exhibit 28,
Draft adjustment

Draft Adjustment - S.S. PAN OCEAN
Various Casualties - Jan/Sept 1964

Account	Pool	G/A Casualty & Cross & Pymouth Mar 1964	P/A Stuck Tanks 2/7 & 2/64	P/A Heavy Weather Feb 24 Apr 2, 1964	P/A Crew Neg Feb 24 Apr 2, 1964	G. Fishn Still Aug 9.
Agreed: Mar 4/5 1964						
Pool Disbursements etc	538.15	422 90			115 25	
Crew Wages etc	344 17	337 97			6 20	
Fuel Replacement	1926 12	1775 14			150 98	
Engine Stores	50.00	50.00				
Bermuda: Mar 27/31 1964						
Pool Disbursements etc	1028.66	936 69			91 96	
Crew Wages etc - Net of Consul advance	592 67	370 27			222 40	
Fuel Replacement	2196 00	1296 00			900 00	
Engine Stores	75.00	75 00				
Gattinara: Apr 9-June 16, 1964						
Pool Disbursements etc	11,097 76		16627	411037	570023	
Maryland Ship - Services	6200.00		10130	250421	359449	
Maryland Ship:						
Sl Tanks - Repaired	2604.00		2604.00			
Sl Tanks - Unrepaired	2485.00		2485 00			
Maryland Ship - Heavy Weather	53,799.00		29615	5302285		
Fresh Stor Supply - Pool due H/W	767.65			76765		
Fresh Stor Supply - Pool due H/W	5648.90			564890		
Replacement parts due H/W						
Gen Sanding accts (Pool accts)	524 57			524 57		
Crew Repairs & hold - H/W	1072 55			107255		
Maryland Ship - Pump Rooms H/W	229 00			22900		
Engine Machine - Replacement						
Engine parts due H/W	1043 00			104300		
Deplane Machine - Labor Eng	525 00			52500		
T. Corrosion Labor on Engine	464.50			46450		
Gen Casualty - Labor on Engine	301 00			30100		
Maryland Ship:						
Crew Neg - Repaired	92,403 00				924 03 00	
Crew Neg - Unrepaired	49,340.00				493 40 00	
Owners Surveyor	8207.10		13469	331488	47581 3	
Bureau Veritas (5 accts)	3285 00		159.00	11560	1335.00	
Salvage Crew, London	X 1659.00		2710	67068	961 82	
Crew Wages etc	9613.91					
Fuel Replacement	321. 51					
Eng. Stores	160.00					
Port Pirie Harbor: June 20/July 12						
Pool Disbursements etc	X 5147.94					
Worrell Stevens Repairs						
P/A - Crew Neg 6/12/64	4455.00					
G/A - Stranding 6/22/64	1967.00					
G.A Total	$270,435.10	44699	64529	7505547		

Plaintiff's Exhibit 28.

Page 2 of 2



Plaintiff's Exhibit 28.

Draft Arrestment - S/S Panocian

Various Casualties Feb / Sept 1964

Acct	Cost	P/A Cleaning Agnes/Barn.	P/A St. Louis	P/A Henry Wrathall	P/A Crew Neg.	P/A Relan Bal
Port Everglades (cont'd)						
Ship supplied Parts:						
(a) Crew Neg - 2 accts	981.00					
(b) Refloating	28.00					
Owners Surveyor	2709.61					
Bureau Veritas	700.00					
Salvage Assn, London	X 1150.00					
Crew Wages etc	3548.52					
Replacement Fuel Oil	597.17					
Lightening Fuel Oil	271.04					
Engine Stores	271.04					
New Orleans July						
Pilotage etc	2095.16					
Todd Shipyards - Crew						
Neg. Repairs - 2 accts	5004.00					
Keeping Machine Parts required for Crew Neg. Rep.	1295.00					
Todd Shipyards:						
(a) Standing Repairs	3398.90					
(A) Unrepaired Standing Damage agreed @ $42,000 with S.A.L	40,000.00					
Owners Surveyor	1632.00					
Bureau Veritas (2 accts)	332.00					
New Orleans - Sept						
Crescent Towing & Salvage:						
(A) Towage in to Sea	5880.00					
re Boiler Breakdown						
(A) Supply diesel oil	514.08					
(c) Supply Water	135.00					
Disbursements etc	3851.91					
Diesel Welding & Machine Works - Tow Tender for Boiler Repairs due Crew Neg. - Sept 20, 1964. Repairs not carried out	96,428.00					
Argus Welding - Cost of drawing plug for tests	252.00					
Metallurgical Tests (3)	310.00					
Bureau Veritas	306.00					
Salvage Assn, London	X 1324.00					
Grand Total	443,695.69	446992	645291	7733476	1609348	11

Plaintiff's Exhibit 28.

A Detention 1.	P/A Repairer's Negligence	P/A Crew Negligence	P/A Stranding	G/A Derivation P.C. Efforts Refloat	P/A Crew Neg	G/A Towed to Louisiana.
		98100		2800		
		217540		534.21		
		56199		13801		
		115000				
				354852		
				89717		
		27104				
				271.20		
		127885	81631			
		5004.00				
		129500				
			33482.90			
			4000000			
		146850	163.20			
		14100	191.00			
						55800.00
						51408
						13500
					3851.91	
					9642800	
					25200	
					31000	
					30600	
					132400	
01629	63500	1978549	4451941	1152844	10247191	652908

of £ 195.3.10 and £46.54 which of added from Gen. Claim C 8444.306.23)

Plaintiff's Exhibit 31, Azores allowances

Allowances to Vessel - Azores

For allowance for Wages and Provisions of the Master, Officers and Crew during this Vessel's ~~[illegible]~~ detention at the Azores to take on fuel and water. Vessel arrived off San Miguel harbor on March 4, 1964 (0650), berthed on March 5, 1964 (1100) and departed therefrom on March 5, 1964 (2100) or 1 day 14 hrs 50 min

Say 2 days.

Wages: 2 days @ ₱3200 per mo.	₱ 218.67
Overtime:	37.30
Provisions: 21 men @ ₱2.10 ea. per day for 2 days.	88.20
	₱ 344.17

Adjustment: We adjusters have applied ~~[illegible]~~ vouchers in support of the above outlay and have made their apportionment accordingly

Monthly Wage Scale

Master	₱ 550.00
Chief Officer	320.00
Radio Officer / 2nd Mate	270.00
Bosun	100.00
A.B.'s (5) @ ₱75.00 ea	375.00
Chief Engr.	450.00
2nd Engrs.	280.00
3rd Engr.	180.00
Donkeyman	110.00
Oiler's (3) @ ₱75.00 ea.	225.00
Firemen (3) @ ₱75.00 ea	225.00
Cook	300.00
Messboy	[illegible]

Plaintiff's Exhibit 31.

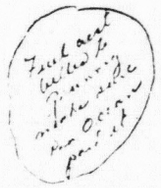
For Allowance for Fuel Oil and Engine Stores consumed during the Vessel's detention at the Azores

Fuel Oil : 26 Tons @ £18.39

Fresh Water : 25 Tons @

Engine Stores (estimated)

4



Plaintiff's Exhibit 31.

Disbursements at Ponta Delgada - Azores - Mar. 1964

escudos 1263.40	Customs of the Port of Ponta Delgada Mar 5, 1964 - Inbound and Outbound Sea pilotage Clearance	Es. 1048.00 215.40	
	Objected to	Es. 1263.40	
490.00	Customs of the Port of Ponta Delgada Maritime Police Immigration Police	Es. 390.00 100.00	
		Es. 490.00	
2383.90	Ministerio Das Communicacoes March 5, 1964 - Wharfage, Mooring and Unmooring charges at Ponta Delgada	Es. 2383.90	
732.00	Ponta Delgada Customs Authority Customs - Entering and Clearing	Es. 732.00	

Plaintiff's Exhibit 31.

276.00	Guardas Fiscal		
	Customs guards on board	Es.	276.00
6328.50	Bensaude & Co. Ltd.		
	Paid for 289 tons of fresh water	Es.	6328.50
	Adjudera Nota (1)		
	Es		
1874.60	Bensaude & Co. Ltd.		
	Agency Fee	Es.	1425.00
	Rapi Services		190.00
	Telegram		159.60
	Gratuity to Pilot		100.00
		Es.	1874.60
	Escudos exchanged to U.S. Dollars @ 28.50 to £1.00		

Plaintiff's Exhibit 31.

1955	1/4	Mobile Oil Company: Fuel Oil delivered at Ponta Delgada, Azores on March 5, 1964: 247.55 Long Tons @ $18.39 per ton	$4550.11
		U.S. Dollars carried forward to Page "B"	

Plaintiff's Exhibit 32,
Bermuda allowances

Allowances to Vessel - Bermuda

964.07

For Allowance for Wages and Provisions of the Master, Officers and Crew during the extra steaming spent in diverting to Bermuda for fuel and water as well as for the [illegible] detention at Bermuda taking on such fuel and water

(A) Extra Steaming calculated by Master = 1470 miles at an Average Speed of 41.3 n.p.h. 1 day 8 hrs. 35 min

(B) Detention Fuel oils from arrival off Bermuda on March 23, 1964 (1200) until departure thereafter on March 27, 1964 (1030)

3 days 22 hrs. 30 min
5 days 7 hrs. 5 min
Say 5 days

Wages: 5 days @ £ 3280. per mo.	£	546.67
Overtime:		196.90
Provisions: 21 men @ £ 2.10 sa. per day for for 5 days		220.50
		964.07

Adjusters Notes (1) The adjusters have studied overtime vouchers of the crew in support of the above overtime and have made their apportionment accordingly

(2) The Monthly Wage List was copied from those under the "Agents Allowances to Vessel"

Plaintiff's Exhibit 32.

For Allowance for fuel oil and engine stores consumed during this Vessel's extra steaming spent in divisting to Bermuda for fuel and water and while detained in that Port taking on such fuel.

Fuel Oil : 64.8 Tons @ £20.00 per ton £

Water : 65 tons

Engine Stores : (estimated)

£

Plaintiff's Exhibit 32.

Disbursements at Bermuda March 1964

3. 3. 4	Watlington & Company		
Mar. 24.	To Paid Radio Master Fan Ocean		£ 1.15. 0.
	" " " " " "		1.13. 4.
			£ 3. 8. 4.
31. 12. 6	The Government of Bermuda		
	March 24, 1964		
	To Plotting "Panorama" Drawer Draught 23 ft.		£ 31.12.6
4. 9. 6	Bermuda Government - Treasury		
	Light Dues		£ 4.9.6

Plaintiff's Exhibit 32.

24. 0. 0 Wm. E. Mayor & Co. Ltd.

March 24th.	To	Hire of labour handling lines mooring the above vessel at H. M. Dockyard, Ireland Island. Operation done in overtime hours (after 1700)	£ 9.	0. 0.
" 26th.	"	Hire of labour standing by to unmoor the above vessel from 0600 hrs to 0800. Ship did not sail.	6.	0. 0.
" 27th.	"	Hire of labour handling lines unmooring the above vessel at H. M. Dockyard, Ireland Island. Operation done in overtime hours (Holiday)	9.	0. 0.
			£ 24.	0. 0.

52. 6. 9 The Bermuda Crown Lands Corporation

To Port dues for the above vessel berthed at H.M.Dockyard, Ireland Island.

3 days @ £17.8.11 per day. £ 52. 6. 9.

102. 12. 4 The Bermuda Crown Lands Corporation

To 220 tons fresh water delivered to the above vessel berthed at H.M.Dockyard, Ireland Island.

220 tons @ 9/4 per ton. £ 102. 12. 4.

(11)

Plaintiff's Exhibit 33.
Baltimore allowances

Allowances to Vessel - Baltimore

For allowance for Wages and Provisions of the Master, Officers and Crew during this Vessel's extra detention at Baltimore effecting extensive damage repairs necessary for the safe prosecution of the voyage. Detention commenced on April 9, 1964 (2100) upon arrival at Md. Maryland Shipbuilding & Drydock Company's repair facilities and ended on June 12, 1964 (2200) upon departure from the repair yard for 2 months 5 days 1 hrs 0 min. Say 2 months 5 days.

Wages: 2 month and 5 days @ $510.00/month	1210.53
Overtime:	474.00
Provisions: 22 men @ 2.10 each for 2 months 5 days	3003.00
Captains Expenses for 64 days @ $5.00	320.00
	$ 11,167.53

Calculations Note

Monthly Wage List

Master	$550.00
Chief Officer	240.00
Radio 2nd Officer	250.00
Bosun	100.00
A.B.'s (4) @ $75.00 ea.	300.00
Ch. Engr.	450.00
1st Engr.	350.00
2nd Engr.	280.00

Plaintiff's Exhibit 33.

	3rd Engineer	£ 120.00	
	Oilers (2) @ £ 75.00 ea.	275.00	
	Firemen (4) @ £ 75.00 ea	300.00	
	Cook	300.00	
	Mess boy	55.00	
	Asst. Cook	55.00	
		£ 3605.00	
Credit 2326.65	Credit for Wages and Provisions of the above Crew not on board for the full period of detention at Port Talbot		
	Radio Officer : 1 month @ £ 250.00		250.00
	1st Engr. : 26 days @ 12.67 per day		329.42
	3rd Engr : 1 month 2 days @ £ 130.00 per mo.		128.00
	Oiler (1) : 1 month 25 days @ £ 75.00 per mo		137.50
	Firemen (1) : 1 month 21 days @ £ 75.00 per mo.		127.50
	Firemen (1) : 1 month 21 days @ £ 75.00 per mo		127.50
	Firemen (1) : 1 month @ £ 75.00		75.00
	Firemen (1) : 1 month @ £ 75.00		75.00
	Cook : 25 days @ £ 10.00 per day		250.00
	Asst. Cook : 1 month 4 days @ £ 55.00 per mo.		62.33
	Provisions : 364 man days @ £ 2.10 ea.		764.40
		Cr. £	2326.65

Plaintiff's Exhibit 33.

159.00 Bureau Veritas

Account of the fees and expenses due to the Administration of BUREAU VERITAS

for surveys

N° of Reports or Certificates: Survey Report No. [illegible]

For individual examination by an authorized surveyor to ... at ..., England, on April 6, 1/4, and again, until, in order to ascertain and report on the nature and extent of damage sustained in course of stranding, loss of ... on January 7 ..., 1/4, and to recommend, supervise and report on repair of subject damages as effected here at this time. Issuance of survey report.	150.00 9.00
Total ...	159.00

745.00 Bureau Veritas

Account of the fees and expenses due to the Administration of BUREAU VERITAS

for [illegible]

N° of Reports or Certificates: [illegible]

[illegible] by an authorized surveyor to ... at ..., England, on April 6, 1/4, and subsequently, to make [illegible] report on the nature and extent of damage sustained in connection with grounding [illegible] on January 7, 1/4, Shetland during period between January 24, 1/4, to April 3, 1/4, and to recommend, supervise and report on repair of subject damage as effected here at this time. Issuance of survey report.	[illegible]
Total ...	[illegible]

Plaintiff's Exhibit 33.

411.00 Bureau Veritas

[illegible] by an authorized surveyor to [illegible] at Baltimore, Maryland, on April 10, 1954 and subsequently, in order to ascertain and report on the nature and extent of damage sustained in consequence of heavy weather encountered during the previous voyage from Jamaica, West Indies to Baltimore, Maryland, and events on license during the [illegible] and to recommend, supervise and report on repair of accident damage as affected [illegible] at this time. Issuance of survey report.

[illegible] 355.00
[illegible] 56.00

Total ... 411.00

Plaintiff's Exhibit 33.

1,335.00 Bureau Veritas

Account of the fees and expenses due to the Administration of BUREAU VERITAS

for surveys

N° of Reports or Certificates: Survey Report No. 38-5574

Invoice established in accordance with our General Conditions

FOR SERVICES RENDERED by authorized surveyors to BUREAU VERITAS at Baltimore, Maryland, on April 6, 1964 and subsequently, in order to report in and report on the nature and extent of damage sustained in consequence of three bollard overheating due to cracks in fillet weld, shortage of water and use of new and water while on measure from Flushing, Netherlands to Baltimore, Maryland, during the period between February 24, 1964 to April 3, 1964 and to recommend, supervise and report on repair of subject damage as effected here at this time.	
Issuance of survey report. Fee (including 3 late visits)...	£1,250.00
Expenses	85.00
Total ...	£1,335.00

635.00 Bureau Veritas

Account of the fees and expenses due to the Administration of BUREAU VERITAS

for surveys

N° of Reports or Certificates: Survey Report No. 38-5531

Invoice established in accordance with our General Conditions

FOR SERVICES RENDERED by an authorized surveyor to BUREAU VERITAS at Baltimore, Maryland, on June 13, 14, 15 and 16, 1964, in order to examine and report on a steering gear system failure and to recommend, supervise and report on repair of subject [illegible] effected here at this time.	
Issuance of survey report.	
Fee: (including 1 Sunday & 3 night visits)	£ 600.00
Expenses	35.00
Total ...	£635.00

BEST COPY AVAILABLE

Plaintiff's Exhibit 34, General Average

GENERAL AVERAGE UNDERTAKING

BOND NO. S-1497617

New York, N.Y. June 12, 1964

Great Eastern Associates, Inc.
Average Adjusters

In consideration of the delivery, from the Ferro-Bet Corporation of America, New York Time Charter Owners of the S/S "Panocean" of the following goods, viz:

2,460.629 long tons
of crude barite ore

Shipped by Vapores Suardiaz, Sevilla, Spain

Consigned to MILCHEM INCORPORATED, Milwhite Mud Sales Company, Division without the requirements of a deposit, we hereby guarantee the payment of all proper General Average, Salvage and/or Special Charges for which said goods are liable. The liability of the Surety not to exceed the sum of TWENTY THOUSAND AND 00/100 ($20,000.00) DOLLARS.

THE FIDELITY AND CASUALTY COMPANY
OF NEW YORK

BY: Joseph J. Thomas
Joseph J. Thomas, Attorney

Plaintiff's Exhibit 34.

JUSTIFICATION

The Fidelity and Casualty Company of New York

FINANCIAL STATEMENT AS OF DECEMBER 31, 1963

ASSETS

Cash	$ 3,060,328
*Bonds and Stocks	236,219,265
Interest, Dividends and Rents Accrued	645,821
Premiums Receivable	11,101,375
Real Estate	6,919,532
Other Assets	5,240,206
Total Admitted Assets	$263,186,527

**Includes Securities Deposited as Required by Law $6,457,944*

LIABILITIES, CAPITAL & SURPLUS

Reserve for Unearned Premiums	$ 65,540,398
Reserve for Losses	60,513,684
Reserve for Taxes and Expenses	2,863,768
Other Reserves	3,623,607
Total Liabilities	132,541,457
Capital	10,000,000
Contingency Reserve	16,500,000
Surplus	104,145,070
Policyholders' Surplus	130,645,070
Total Liabilities, Capital & Surplus	$263,186,527
Policyholders' Surplus--Market Basis	*$130,555,717*

At the regular meeting of the Board of Directors of The Fidelity and Casualty Company of New York, held at its office in the City of New York on the 17th day of October 1963, a quorum being present the following resolution was unanimously adopted:

RESOLVED, That each of the following persons, to wit: J. V. Heid, Chairman of the Board; N. Dekker, Vice Chairman of the Board; Nathan H. Wentworth, President; T. E. O'Brien, E. J. Ryan, Walter D. Sheldon and Carroll R. Young each a Vice President; Edward M. Bersano, A. J. Miller, James Strain and M. J. Tanz, each a Secretary; William A. Bannon, Jr., Robert B. Budelman, James F. Burns, Eugene P. Dougherty, P. L. Douglass, R. H. Hall, H. J. Hermann, Eugene F. Hession, James M. Keane, Clarence H. Kenyon, Joseph S. Lynch, John E. Maher, Joseph B. Mettalia, Robert L. Overland, F. T. Paterson, Harold J. Pottinger, Ethel E. Punger M. E. Raesecke, Joseph C. Reiners, Charles J. Riffelmacher, Randolph Rostin, Robert W. Schmitt, Daniel J. Sullivan, Joseph J. Thomas, E. E. Wells, William J. White and Arline M. Witbeck, each as an attorney, is hereby authorized to execute on behalf of The Fidelity and Casualty Company of New York, bonds, undertakings and contracts of suretyship; including agreements of co-suretyship, reinsurance and any and all modifications, stipulations and consents of surety concerned therewith, and to attest the corporate seal of the company to any and all bonds, undertakings and contracts of suretyship; including agreements of co-suretyship, reinsurance and any and all modifications, stipulations and consents of surety concerned therewith, signed by any of the said persons, provided--

1. That the authority herein granted to Robert B. Budelman, P. L. Douglass, R. H. Hall, Eugene F. Hession, James M. Keane, F. T. Paterson, Joseph C. Reiners, Randolph Rostin, Daniel J. Sullivan, William J. White and Arline M. Witbeck, shall be limited to bonds, undertakings or contracts of suretyship of not more than one million dollars, unless the said bonds, undertakings or contracts of suretyship, including agreements of co-suretyship, reinsurance and any and all modifications, stipulations and consents of surety concerned therewith, shall also be signed by the Chairman, the Vice Chairman, the President, one of the Vice Presidents or one of the Secretaries named above.

2. That the authority herein granted to H. J. Hermann, Joseph S. Lynch and John E. Maher, shall be limited to bonds, undertakings or contracts of suretyship of not more than five hundred thousand dollars, unless the said bonds, undertakings or contracts of suretyship; including agreements of co-suretyship, reinsurance and any and all modifications, stipulations and consents of surety concerned therewith, shall also be signed by the Chairman, the Vice Chairman, the President, one of the Vice Presidents or one of the Secretaries named above.

3. That the authority herein granted to William A. Bannon, Jr., James F. Burns, Clarence H. Kenyon, Robert L. Overland, Ethel E. Punger, M. E. Raesecke and Charles J. Riffelmacher, shall be limited to bonds, undertakings and contracts of suretyship of not more than one hundred thousand dollars, unless the said bonds, undertakings or contracts of suretyship; including agreements of co-suretyship, reinsurance and any and all modifications, stipulations and consents of surety concerned therewith, shall also be signed by the Chairman, the Vice Chairman, the President, one of the Vice Presidents or one of the Secretaries named above.

4. That the authority herein granted shall be effective January 1, 1964 and shall expire December 31, 1964.

RESOLVED, further, that the appointment of each of the persons named herein to his or her respective office or position is hereby confirmed and that the said appointees be, and each of them is, authorized and empowered to certify under seal, a copy of the foregoing resolution.

STATE OF NEW YORK
COUNTY OF NEW YORK
CITY OF NEW YORK } ss:

Plaintiff's Exhibit 34.

Joseph J. Thomas, to me known, being by me duly sworn, deposes and says that the affiant resides in North Bergen, New Jersey

that the affiant is an Attorney of The Fidelity and Casualty Company of New York, the corporation which is described in and which executed the annexed instrument; that the affiant knows the corporate seal of said corporation; that the seal affixed to the annexed instrument is the corporate seal of The Fidelity and Casualty Company of New York, and was thereto affixed by order and authority of the Board of Directors of the said company; and that the affiant signed the affiant's name thereto by like order and authority as Attorney of the company. The affiant further deposes and says that the foregoing financial statement of The Fidelity and Casualty Company of New York, to the best of the affiant's knowledge and belief is a full, true and correct statement of the financial condition of the said company on the 31st day of December, 1963, and that the liabilities of said company do not exceed its assets as ascertained in the manner provided by law; and that the said company has received from the Superintendent of Insurance of the State of New York a certificate of solvency and of its sufficiency as surety, or guarantor, pursuant to the Insurance Law of the State of New York and the Acts amendatory thereof and supplemental thereto, and that such certificate has not been revoked. The affiant deposes and says that the affiant has compared the foregoing resolution of the Board of Directors of the said company with the original thereof, as recorded in the minute book of the said company, and does hereby certify that the same is a true and correct transcript therefrom, and of the whole of the said resolution, and the same is now in full force, and that the seal affixed hereto is the corporate seal of the said company.

Subscribed and sworn to before me

this 12th day of June, 1964.

Joseph C. Reiners

JOSEPH C. REINERS
Notary Public, State of New York
No. 43-8753200 Qual. in Rich. Co.
Cert. filed in N. Y. Co. Clk's Office
Commission Expires March 30, 1966

Joseph J. Thomas

Joseph J. Thomas, Attorney

15-Bond. 1100
PRINTED IN U.S.A.

Plaintiff's Exhibit 38, Crew list

TREASURY DEPARTMENT
UNITED STATES CUSTOMS SERVICE
UNITED STATES DEPARTMENT OF JUSTICE
Immigration and Naturalization Service

PASSENGER LIST
CREW LIST

Sheet No. 1

CARRIER Panamanian s.s."PANAMIAN" 790 NY

Date of arrival April 3, 1964 Baltimore

Port of arrival Baltimore, Maryland

Last foreign port before arrival in United States Hamilton, Bermuda

3/27/64

If departing, show first port at which carrier arrived in United States on this trip

If departing, show first foreign port after departure from United States

(1) NAME IN FULL: Family name	Given name and middle initial	(2) Nationality and passport number	(3) CREW: Position	Where shipped or engaged	(4) Crew (departing U.S. flag vessels only): U.S.C., Z or C.I.B. number and name and address of next of kin	(5) The condition for use from alcoholic officials only; foreign when carrying certain passengers. See Instructions.
MONILLA	FRANCISCO	Honduranian 20362	A.B.	CURACAO		
DENDRINOS	NICOLAS	URUGUAYAN 114851	Chief Engineer	Hull(U.K.)		
DIAZ GOMEZ	ANTONIO	SPANISH 188893	Assistant Cook	Seville		
LEON HIDALGO	JUAN	SPANISH 160313	A. B.	Seville		
GONZALEZ	JOSE	Spanish 750472	A. B.	Seville		
GAMVROULIAS	SARANTO	GREEK 12193	Donkeyman	Curacao		
HENRIQUEZ	LUIS	CHILEAN 191	Oiler	Curacao		
LONG	HARRY C.	CANADIAN S-400941	A. B.	Marseilles		
LOPEZ	ALEJANDRO	Nicaraguian 28568	Messboy	Curacao		
MALEVITIS	CONSTANTINOS	GREEK 14741 B	1st.Officer	Marseilles		
MARICHAL	GENERO	SPANISH 7625	Oiler	New Orleans		
MARTIN	HILARIO	SPANISH 696462	A. B.	Seville		
MARTINEZ POVEDA	JUAN	SPANISH 1231	Fireman	Marseilles		
MAVROUDIS	PETROS	GREEK 10139	Cook	Marseilles		
OSORIO	FRANCISCO	CHILEAN 163	3rd.Engineer	Curacao		
PAPAGEORGOU	EVANGELOS	GREEK 26334	2nd. -do- 2nd. Mate	Leixoes		
PARRY-JONES	WILLIAM C.	BRITISH LO.394519	Radio Operator	Hull (UK)		
RODRIGUEZ	EULOGIO	Cuban 48071	Fireman	Curacao		
SAVOPOULOS	GEORGE	GREEK 1051	Master	Marseilles		
SJIEW	JOEN	DUTCH 13453	Oiler	New Orleans		
VENEGAS	JUAN	CHILEAN 786	Carpenter	Curacao		

CLOSED WITH 21 MEMBERS OF CREW INCLUDING MASTER ON 1 SHEET

Plaintiff's Exhibit 38.

Bermuda

If departing show first port at which cargo or passengers are discharged in United States on this trip

If departing show first foreign port other departure from United States

(1) NAME IN FULL		(2) Nationality and passport number	(3) CREW Position	Where shipped or engaged	(4) Name, passport U.S. Reg vessels only, U.S.C.G. official number and name and address of next of kin	(5) If a member will not be returned to U.S. on this trip, state reason (discharged, deserted, leaving vessel for sickness, etc.)
Family name	Given name and middle initial					
PONILLA	FILADELFO	Honduranian 2[illegible]52	A.B.	CURACAO		
DENDRINOS	NICOLAS	URUGUAYAN 11[illegible]61	Chief Engineer	Hull(U.K.)		
DIAZ GOMEZ	ANTONIO	SPANISH 18[illegible]803	Assistant Cook	Seville		
LEON HIDALGO	JUAN	SPANISH 1503[illegible]3	A. B.	Seville		
GONZALEZ	JOSE	Spanish 7506[illegible]72	A. B.	Seville		
GAMVROULIAS	SARANTO	GREEK 1214[illegible]3	Donkeyman	Curacao		
HENRIQUEZ	LUIS	CHILEAN 191	Oiler	Curacao		
LONG	HARRY G.	CANADIAN S-450[illegible]1	A. B.	Marseilles		
LOPEZ	ALEJANDRO	Nicaraguian 2[illegible]68	Messboy	Curacao		
MALEVITIS	CONSTANTINOS	GREEK 1[illegible]1 B	1st.Officer	Marseilles		
MARICHAL	GENERO	SPANISH 7[illegible]25	Oiler	New Orleans		
MARTIN	[illegible]	SPANISH 6[illegible]62	A. B.	Seville		
MARTINEZ PUVEDA	JUAN	SPANISH 12[illegible]	Fireman	Marseilles		
MAVROUDIS	[illegible]	GREEK 1014[illegible]	Cook	Marseilles		
OSORIO	FRANCISCO	CHILEAN 163	3rd.Engineer	Curacao		
PAPAGEORGOU	EVANGELOS	GREEK 2[illegible]0[illegible]	2nd. -do- 2nd. Mate	Dixons		
PARRY-JONES	WILLIAM C.	[illegible]	Radio Operator	Hull (U.K.)		
RODRIGUEZ	EVLOGIO	Cuban 18071	Fireman	Curacao		
SAVOPOULOS	GEORGE	GREEK 1051	Master	Marseilles		
SJIEW	JOEY	DUTCH 13[illegible]53	Oiler	New Orleans		
VENEGAS	JUAN	CHILEAN 786	Carpenter	Curacao		
	CLOSED WITH 21 MEMBERS OF CREW INCLUDING MASTER ON 1 SHEET					
DIAMANTOPOULOS	KONSTANTINOS	GREEK	3rd. Mate	Bermuda	PERMANENT RESIDENT	

Total Number

For sale by [illegible] Printed by [illegible]

Agent

ITT/AC&R
Via All

KT

366a

067ACR G05.36

Plaintiff's Exhibit 39,
Correspondence/radiogram folder

GRUNVIG 420373

SM 390 GL OA

GRUNDWAVE NY

YOUR RADIO 129MH MAR 6 CK23/22 NO3 NY 2140GMT PC MASTER PANOCEEAN

HOSM SIGNED GRUNDWAVE DELIVERED 0406GMT MAR 7TH

MRT ANAGANSETTNY

EU

GRUNVIG 420373

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via All America · Via Commercial · Via Globe · Via Mackay Radio

TO CALL A MESSENGER: PHONE 797-7522
7550 · OTHER MATTERS: PHONE 797-3300

TO SEND A MESSAGE: PHONE 797-3311 · TO CAI
MESSAGE INFORMATION: PHONE 797-7550 · OT

Plaintiff's Exhibit 39.

V

ACR08

GRUNVIG 42037311+

ACRNY POS 14

GRUNVIG 420373

THIS IS OUR CABLE NO 2 MARCH 6 1964

LT

TEKWELL HULL (ENGLAND)

PANOCEAN PLEASE AIRMAIL VISAED CREWLIST OUR OFFICE OXXXX

IMMEDIATELY

GRUNDWAVE

ACRNY POS 14

GRUNVIG 420373M

111/ACRA SYSTEM — 111/ACRA SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

SYSTEM — 111/ACRA SYSTEM
- Via Globe - Via Mackay Radio

MESSENGER: PHONE 797-7522
MATTERS: PHONE 797-3300

TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE 797-7522
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300

TO SEND A
MESSAGE I

Plaintiff's Exhibit 39.

TO SEND A MESSAGE: PHONE 797-7522
MESSAGE INFORMATION: PHONE 797-3300
TO CALL A MESSENGER: PHONE 797-3311 - TO SEND A MESSAGE: PHONE 797-7522
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300
TO SEND A MESSAGE: PHONE
MESSAGE INFORMATIO

T

T

067ACR G15.14

GRUNVIG 420373

BI2456/BF2

HULL 11 7 953A

GRUNDWAVE

NY

PANOCEAN ON MASTERS INSTRUCTIONS CREWLIST

AIRMAILED TRANSMARINE 25/2

TEKWELL

COL 25/2

QD

GRUNVIG 420373

ITT/ACSR SYSTEM — ITT/ACSR SYSTEM — ITT/ACSR SYSTEM — ITT/ACSR SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio
ITT/ACSR SYSTEM — ITT/ACSR SYSTEM
Commercial - Via Globe - Via Mackay Radio

Plaintiff's Exhibit 39.

TAAV

GRUNVIG 420373KT

072ACR G18.13

GRUNVIG 420373

ACR SVC

OFFICIAL ADVICE MAR 12 1964

GRUNDWAVE NEWYORK

MH18/12 CK 35/34 P177 NO2 NYK PC MASTER PANOCEAN HO M

SIGNED GRUNDWAVE DELD 1610GMT 12

WSL MRT AMAGANSETTNY

MT

GRUNVIG 420373

111/ACSR SYSTEM — 111/ACSR SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

R SYSTEM — 111/ACSR SYSTEM
- Via Globe - Via Mackay Radio

TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE 797-7522
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300

ESSENGER: PHONE 797-7522
ATTERS: PHONE 797-3300

TO SEND A M
MESSAGE IN

(Plaintiff's Exhibit 39.

ITT/ACR SYSTEM — ITT/ACR SYSTEM — ITT/ACR SYSTEM —
Via All America - Via Commercial - Via Globe -

) SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE 797-7522
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300

072ACR G17.51

GRUNVIG 420373

ACR SN129/VIA MACKAYRADIO AMAGANSETTNY

SS PANOCEAN HOSM 23 12 1630

GRUNDWAVE NYK

PREVAILING DETRIMENTAL WESTERLY SEVERE GALES AND STORMS SINCE FLUSING STOP IMPOSSIBLE STIPULATE EXACT ETA BALTIMORE PRESENT WEATHER WSW SEVERE GALE

MASTER

COL WSW

ITT/ACR SYSTEM — ITT/ACR SYSTEM — ITT/ACR SYSTEM —
America - Via Commercial - Via Globe - Via Mackay Radio

TO SEND A MESSAGE: PHONE 797-331
MESSAGE INFORMATION: PHONE 79

Plaintiff's Exhibit 39.

WHITEHALL 4-6547-8
SHOREROAD 8-3341 (NITE)

CABLES: MIKEMARKS
TELEX: 222647

TRANS MARINE SHIPPING AGENCY, INC.

STEAMSHIP AGENTS -- MANAGING OPERATORS
52 BROADWAY
NEW YORK, N. Y. 10004

MARINE SURVEYORS AND
CONSULTING ENGINEERS

REP. SURVEYOR FOR
HELLENIC REGISTER OF SHIPPING

March 11th 1964

Ferro-Bet Corporation of America
Grundvig Chartering Inc.
15 Moore street
New York, N.Y. 10004

Dear Sirs:

Enclosed herewith please find official Crew List form 1-418 for the s/s "PANOCEAN" which was sent to us, by your agents in England.

Kindly, forward same to your agents in Baltimore, Md. for the use of the U.S. Immigration Authorities upon vessel's arrival.

very truly yours
TRANS MARINE SHIPPING AGENCY, INC.
as agents only

(encl.)

by---------
Michael G. Markogianis, Pres.

Plaintiff's Exhibit 39.

March 16, 1964

Lukert Terminal Corp.
1409 Thames Street
Baltimore, Maryland

Attn: Mr. L. Lanuetta

S/S PAN OCEAN
C/P 1/13/64

Gentlemen:

We refer to our recent telephone conversation concerning subject vessel and enclose the following documents:

Visaed Crew List
1 Copy Manifest
1 Copy Stowage Plan
1 Copy each B/L 1/3

The PAN OCEAN expected to arrive at Baltimore on March 16th is encountering rather severe weather and master now indicates she will be delayed. In any case the master will advise you of the ETA in accordance with terms of the charter party.

We expect that you will keep us fully advised of vessel's arrival, fuel on board, prospects, aperture and time of sailing. Also, we shall be obliged if you will let us hear from you on receipt of this letter and let us have your advices as to anticipated time for the discharging at Baltimore.

Vessel is to be tendered in ballast on arrival and time will commence in accordance with article 6 of C/P. Please procure, in conjunction with the master, a proper statement of facts containing all pertinent particulars. The statement must, of course, be signed by the master and on behalf of charterers and submitted to us in three copies.

You will note that in accordance with article 16 dunnage cargo is to be discouraged by charterer.

Vessel is to be on overtime ordered for our account without our prior approval.

Kindly acknowledge receipt of this communication and attached documents.

Very truly yours,

cc
Baltimore
Baltimore

Plaintiff's Exhibit 39.

ITT/AC&R SYSTEM — ITT/AC&R SYSTEM — ITT/AC&R SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

MESSENGER: PHONE 797-7522
MATTERS: PHONE 797-3300
TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 7

VMK

ACR11

GRUNVIG 42037311+

ACRNY POS 06

GRUNVIG 420373

MESSAGE NO 1 MARCH 23 1964

PC MASTER PANOCEAN

(ETA BERMUDA TODAY MARCH23)

STEMMED 100 TONS FUEL SHELL STGEORGE ADVISE WM E MEYER LTS

STGEORGE ETA WATER REQUIREMENTS STOP RADIO EXACT TIME FUEL WATER

ARRIVAL DEPARTURE TO US ALSO RADIO ETA BALTIMORE

GRUNDWAVE

NOTE READ LAST WORD FIRST LINE LTD

MESSAGE NO 2 MARCH 23 1964

WILLIAM E MEYER AND CO LTD

ST GEORGE BERMUDA

ITT/AC&R SYSTEM
Radio

Plaintiff's Exhibit 39.

PANOCEAN ETA STGEORGE TODAY URGENTLY REQUIRES FUEL WATER STEMMED SHELL 100 TONS BUNKER C MASTER WILL ADVISE WATER REQUIREMENTS STOP CONFIRM YOU CAN ATTEND ADVISING FUNDS REQUIRED NAME BANK FOR REMITTANCE

GRUNDVIG CHARTERING INC

15 MOORE ST NEW YORK

Plaintiff's Exhibit 39.

111/ACCR SYSTEM—111/ACCR SYSTEM—111/ACCR SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

L A MESSENGER: PHONE 797-7522
HER MATTERS: PHONE 797-3300

TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE 797-7522
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300

T

084ACR G19.55

GRUNVIG 420373

ACR SVC MAR 24 1964

GRUNDWAVE NEWYORK

YOUR RADIOGRAM NO1/P684/23 CK 34 PC MASTER PANOCEAN
SIGNED GRUNDWAVE STILL ON HAND AS VESSEL HAS
FAILED TO COMMUNICATE WITH AMAGANSETTNYRADIO
WE WILL CONTINUE CALLING UNLESS ADVISED TO THE CONTRARY
MARINE BUREAU MACKAY RADIO NY 24

KK

GRUNVIG 420373

111/ACCR SYSTEM
Via Mackay Radio

Plaintiff's Exhibit 39.

RCA GLOBAL SYSTEM — RCA GLOBAL SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

RCA GLOBAL SYSTEM — RCA GLOBAL SYSTEM
Via All America - Via Comm

GE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE 797-7222
LATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300
TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A M
MESSAGE INFORMATION: PHONE 797-7550 - OTHER M

TM

C84ACR G21.32

GRUNVIG 420373

SN 245 FC CK OA GRUNDWAVE

MH 97/23 NO 1 PC MASTER PANOCEAN HOSM SIGNED GRUNDWAVE

DELD 2024/24

MR AMAGANSETTNY 24

YS

GRUNVIG 420373

K

Plaintiff's Exhibit 39.

D

GRUNVIG 420373

ACR/BY41 6510

BERMUDA 22 24 1712

GRUNDVIG CHARTERING INC 15 MOOREST NEWYORK

PANOCEAN ARRIVED 1500 24TH AWAITING TURN

TO BUNKER WILL XXXXX ADVISE STOP FUNDS NOT YET

RECEIVED

MEYERCO

COL 15 1500 24TH

DB

GRUNVIG 420373

TO SEND A MESSAGE: PHONE 797-3311 - TO CALL A MESSENGER: PHONE 797-7522
MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300
TO SEND A MESSAGE: PHONE 797-33
MESSAGE INFORMATION: PHONE 79

111/ACOR SYSTEM — 111/ACOR SYSTEM — 111/ACOR SYSTEM —
Via All America - Via Commercial - Via Globe -
111/ACOR SYSTEM — 111/ACOR SYSTEM — 111/ACOR SYSTEM
America - Via Commercial - Via Globe - Via Mackay Radio

CODE—NY TR (REV. 9/61)
SENDER'S NAME

GRUNDWIG CHARTERING
15 MC I ST

WH3 6140

TD 286

WR CK 13

OUTGOING—CONFIRMATION PHONED

1964 MAR 28 PM 6 02

378a

Plaintiff's Exhibit 39.

MASTER

PANOCEAN/HOSM

WSL (LEFT BERMUDA WED FOR BALTO)

RADIO YOUR POSITION AND ETA BALTIMORE

FERROBET CORPORATION
C/O GRUNDWAVE

All America Cables • Commercial Cables • Globe Wireless
Mackay Radio

THIS MESSAGE RECEIVED BY TELEPHONE AND FORWARDED SUBJECT TO THE RULES AND REGULATIONS SET FORTH IN THE COMPANIES' TARIFF BOOK ON FILE WITH THE FEDERAL COMMUNICATIONS COMMISSION

Plaintiff's Exhibit 39.

P 116 31E

MAR 31 6 00 AM '64

NN

D74 ZCZC CC368

URNY CO URCH 024

SS PANOCEAN CHATHAMRADIO VIA RCA 24 31 0510GMT

GRUNDWAVE NEWYORK

ENCOUNTERING STORM FORCE 12 MOUNTAINEOUS HEAD WAVES POUNDING VESSEL ORDER AVOID FURTHER DAMAGES STEAMING VERY SLOW SPEED ETA CAPEHENRY MIDNIGHT FIRST

MASTER

RCA COMMUNICATIONS, INC.
A SERVICE OF RADIO CORPORATION OF AMERICA
66 BROAD STREET, N. Y. TEL. 363-2121

Plaintiff's Exhibit 39.

QT

088ACR G17.42

GRUNVIG 420373

SN97

SS PANOCEAN HOSM 13/12 AMAGANSETTNY 28 1651

GRUNDWAVE

NY

LEFT PILOT 271300 BUNKERS ~~210~~ 220 WATER 200 ETA THIRTYFIRST

MASTER

COL 271300 220 200

995 mlg

27-130

31-130

4 days x 2.40

960

for Mon

QD

GRUNVIG 420373TK

111/AC&R SYSTEM — 111/AC&R SYSTEM — 111/AC&R SYSTEM
Via All America - Via Commercial - Via Globe - Via Mackay Radio

111/AC&R SYSTEM
- Via Mackay Radio

- OTHER MATTERS: PHONE 797-3300

MESSAGE INFORMATION: PHONE 797-7550 - OTHER MATTERS: PHONE 797-3300

CABLE ADDRESS
"RUKMAR"

TELEPHONE
EAstern 7-4122

Plaintiff's Exhibit 39.

RUKERT MARINE CORPORATION

[illegible] agents, customs house brokers, [illegible] ocean freight forwarder

GENERAL OFFICE
1408-17 THAMES ST.
BALTIMORE 31, MD.

March 31, 1964

"CERTIFIED MAIL"

U. S. Department of Justice
Immigration and Naturalization Service,
Room 620
707 North Calvert Street
Baltimore, Maryland 21202

Attention: Mr. H. L. Woolwine, District Director

REF: S. S. Panocean - Panamanian - 790 N.Y.

Gentlemen:

Enclosed please find above mentioned vessel's Crew List, duly consularized at Liverpool England, under No. 005286 and dated February 24, 1964.

Kindly have boarding Immigration Inspector take along.

Vessel is due Baltimore, April 2nd we will keep you well informed.

Yours very truly

John Landeta
Vice President

CC: Grunduig Chartering, Inc.
15 Moore Street
New York 4, New York
"Time Chartered Owners"

JL:cl

Plaintiff's Exhibit 39.

April 2, 1964

Captain G. Savopoulos
S/S PANOCEAN

Dear Captain Savopoulos:

In connection with the survey to be performed on your vessel this letter will introduce Mr. Oscar L. Aronsen who will attend the survey on our behalf. Kindly cooperate with Mr. Aronsen and extend him all curtesies.

Your cooperation will be greatly appreciated.

Very truly yours,
FERRO-BIT CORPORATION OF AMERICA

Ottar Grundvig, President

Plaintiff's Exhibit 39.

MARINE NOTE OF PROTEST.

UNITED STATES OF AMERICA

State of Maryland, Baltimore City, to wit:

ON THIS day of nineteen hundred and

before me, the subscriber, a Notary Public, by letter patent under the Great Seal of the STATE OF MARYLAND, commissioned and duly qualified, residing in the CITY OF BALTIMORE, personally appeared SIXTY FOUR (1964) Master of the

called the of

of the burthen of GEORGE J. SAVOPOULOS or thereabouts, and declared that he sailed in the said day of

PANOCEAN under his command, on the PANAMA

4500 LONG

VESSEL SAN 27TH FEBRUARY, 1964

FROM FLUSHING, NETHERLANDS VIA MIQUEL AND BERMUDA AND ARRIVED ON APRIL 3RD, 1964 IN THE PORT OF BALTIMORE. ON THIS VOYAGE VESSEL ENCOUNTERED HEAVY SEAS, VERY HIGH SWELLS, STORMS AND CALMS CAUSING EXTENSIVE DAMAGES TO VESSEL.

TO PROTECT THE INTEREST OF ALL CONCERNED PARTIES, I MADE THIS NOTE OF PORTEST.

apprehends damage, and now desires to NOTE PROTEST, reserving to state particulars hereafter, if necessary.

In Testimonium Veritatis.

Notary Public

(SIGNED) GEORGE J SAVOPOULOS, MASTER S S PANOCEAN

Baltimore, 19

I, (SIGNED) NOTARY PUBLIC, before named, do hereby certify

that printing and writing above is and does contain a true copy of the original Note of Protest of NOTARY PUBLIC

JOHN LANNETA Number of the APRIL 3RD, 1964 MY COMMISSION EXPIRES MAY 3RD, 1965.

of of which it purports to be a copy

GEORGE J. SAVOPOULOS Original, taken from my Notarial file.

PANAMA *In Testimonium Veritatis.*

Notary Public

JOHN LANNETA
MY COMMISSION EXPIRES ON MAY 3RD, 1965

Plaintiff's Exhibit 39.

70 Pine Street

BOWling Green 9-3867

EX
5

BEST COPY AVAILABLE

April 7, 1964

Panocean Navigation Lines S.A.
C/O Transmarine Shipping Agency, Inc.
52 Broadway
New York 4, N.Y.

S/S PALOMAR
C/C 10/17/63

Gentlemen:

We have been informed by the Master of subject vessel that fuel oil on board at present is not sufficient for discharging purposes.

The PALOMAR arrived at Baltimore on April 3rd with 82 Tons of fuel on board and we find it almost impossible to believe that this amount of fuel would not be sufficient to discharge with all winches working, (although, in fact the vessel has not worked steadily due to weather) and still leave sufficient for proceeding to the repair dock. However, in fairness to the cargo interests, but completely without prejudice to our rights under the Charter Party we have ordered 50 tons of fuel to be delivered at once to the vessel.

In order to put only fifty tons of fuel on board we are [illegible] of 300.00 [illegible] we will [illegible], [illegible] of the possibility that "not [illegible]" may necessitate the transfer or removal of fuel oil from the double bottom tanks we wish it clearly understood that any and all costs and or risks in connection with fuel oil being on board while vessel is repairing will be for owner's account.

Very truly yours,
[illegible]

Otter Grundvig, President

cc: Mr. Thomas Short, [illegible], Inc., Baltimore

Plaintiff's Exhibit 39.

New Address:
Room 3510
70 Pine Street, NY 5.

April 8, 1964.

Panocean Navigation Line, S/A.,
c/o. Transmarine Shipping Agency, Inc.,
80 Broadway,
New York, 4, N. Y.

Gentlemen:

S/S. "IAKKOAN".

Please advise when this vessel is expected to complete repairs at Baltimore, Md.

This information is required by Cook Grains, Inc. in order to arrange for cargoes in time.

Very truly yours
HENRO-NUT CORPORATION OF AMERICA

Ottar Grundvig.

c/c. Mr. Tom Short, 67 Wall St, NYC.

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION
TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

UJB045 PD390
P BRA584 RX PD BALTIMORE MD 9 751P EST
GRUNDVIG CHARTERING INC
15 MOORE SG NYK
PANOCEAN COMPLETED BALTIMORE DISCHARGED 1930 HOURS APRIL 9TH
RUKERT MARINE CORP
(53).

386a

Plaintiff's Exhibit 39.

914- DE 7-1464 MR G
33 910P DLD
TIME

Plaintiff's Exhibit 39.

April 6, 1961

Captain [illegible]
c/o [illegible]
c/o United Republic Corporation
[illegible]
[illegible], Maryland

Dear Captain:

[illegible] not yet sent us a [illegible] of your [illegible]. The only obstacle we have encountered to the [illegible] voyage now [illegible].

May remind you that under Article [illegible] of the Time Charter Party you are obliged to [illegible] time [illegible] [illegible] your [illegible] [illegible] [illegible] [illegible].

Very truly yours,

Lloyd [illegible], [illegible]

cc: Mr. Thomas Dent, [illegible]

cc: Rubicon Investments [illegible]

Plaintiff's Exhibit 39.

April 14, 1904

Subject:

Plaintiff's Exhibit 39.

ANTHONY J. RANDOLPH

COUNSELLOR AT LAW AND PROCTOR IN ADMIRALTY

WHITEHALL 3-3516-7-8

32 Broadway
New York 4, N. Y.

April 20, 1964

File No. 1605-A
Pan Ocean Navigation Line, S. A.
S/S "PANOCEAN"
- - - - - - - - - - - - - - - - - - -

Ferro-Bet Corporation of America
70 Pine Street
New York 5, New York

Attention: Mr. Ottar Grundvig
President

Gentlemen:

Your letter dated April 8, 1964, addressed to our client, Pan Ocean Navigation Line, S. A., Owner of the above-named S/S "PANOCEAN", has been referred to this office for attention and reply.

Please be advised that at this writing, it appears that the necessary repairs to the said vessel will be completed in about a month.

As soon as we have more definite word concerning the foregoing, we, of course, will communicate with your office.

We understand that your representative was aboard the vessel and will continue to be there during the repairs and perhaps he can keep you advised as to the daily progress.

We trust the foregoing information will be of use to you in connection with your charter with Cook Grains, Inc.

Very truly yours,

Anthony J. Randolph

AJR:lb

cc: Pan Ocean Navigation Line, S. A.
Attention: Mr. Michael G. Markogianis
President

Dougherty, Ryan, Mahoney & Pellegrino, Esqs.
Attention: Mr. Thomas Short

Plaintiff's Exhibit 39.

April 21, 1920

[illegible]

S/C 1/27/20

Gentlemen:

[illegible] vessel [illegible] under the terms of [illegible] case we have [illegible] reply.

[illegible] and it is requested that you [illegible] with our request.

[illegible]

[illegible]

cc: [illegible]

BEST COPY AVAILABLE

Plaintiff's Exhibit 39.

[illegible]

April 29, 1964

Penocean Navigation Since, [illegible].
(/) Ira [illegible] [illegible], Inc.
59 roadway, New York, [illegible].

[illegible] 10/17/63

Gentlemen:

Despite reported requests addressed to the master and to your office for submission of [illegible] we have to this date not received them.

Since the inception of the charter party dated October 17, 1963 we have received only one abstract, that for the voyage now pleura/ Rotterdam/ Marseilles.

We must insist that you instruct the master to submit book and [illegible] [illegible] since sailing from Marseilles until [illegible].

Very truly yours,

[illegible]

Lloyd J. Williams, [illegible].

cc: Anthony J. Mondolph, Jr.

cc: Mr. T. [illegible], Chaffety, Ryan, Mahony & Wolff Inc

Plaintiff's Exhibit 39.

ANTHONY J. RANDOLPH

COUNSELLOR AT LAW AND PROCTOR IN ADMIRALTY

WHITEHALL 3-3516-7-8

32 Broadway
New York 4, N. Y.

May 12, 1964

File No. 1605-A
Pan Ocean Navigation Line, S. A.
S/S "PANOCEAN"
Time Charter Party: October 17, 1963
- -

Ferro-Bet Corporation of America
70 Pine Street
New York 5, New York

Attention: Mr. Ottar Grundvig
President

Gentlemen:

Supplementing our letter of April 20, 1964, we wish to advise that it is expected that the repairs being made aboard the S/S "PANOCEAN" will be completed in about ten (10) days or two (2) weeks.

We trust this information will be of use to you.

Very truly yours,

AJR:lb

cc: Pan Ocean Navigation Line, S. A.
Attention: Mr. Michael G. Markogianis
President

Dougherty, Ryan, Mahoney & Pellegrino, Esqs.
Attention: Thomas J. Short, Esq.

Plaintiff's Exhibit 39.

ABLE ADDRESS
"RUKMAR"

TELEPHONE
EASTERN 7-4122

RUKERT MARINE CORPORATION

steamship agents, ...
independent ocean ... of

GENERAL OFFICE
1409-17 THAMES ST.
BALTIMORE 31, MD.

May 26th., 1964

Crundvig Chartering, Inc.
70 Pine Street
New York, N. Y. 10005

RE: S/S "PANOCEAN"

Attention: Mr. Lloyd J. Williams

Gentlemen:

We are enclosing two copies of the crew list on the subject vessel as requested in telephone conversation today with Mr. John Landeta.

I personally went to see Mr. Blondell to Immigration and Naturalization Service and obtained his permission to copy the enclosed crew lists from their file copy.

Hoping to have solved this matter satisfactory in accordance to your needs, we remain,

Very truly yours,

Enrique L. Corzo
Export Department

EC/mc

394a

Plaintiff's Exhibit 39.

FERRO-BET CORPORATION OF AMERICA

15 MOORE STREET

NEW YORK 4, N. Y.

TELEPHONE
WHITEHALL 3-5140

CABLE
214 DEERFIELD 7-1464

NEW BOE CODE

STEAMSHIP AGENTS AND OPERATORS

NEW ADDRESS
70 PINE STREET
NEW YORK, N. Y. 10005
WH 3-8867

May 27, 1964

Panocean Navigation Lines S.A.
c/o Transmarine Shipping Agency Inc.
52 Broadway
New York 4, N.Y.

S/S PANOCEAN
T/C 10/17/63

Gentlemen:

We refer again to our numerous requests, written and verbal, for Deck and Engine Log Abstracts for subject vessel for the period since arrival at Marseilles in January of this year. Our last request was a verbal one to Mr. Markiglanos and Mr. Randolph, his attorney, on Monday, May 18th, at which time Mr. Randolph had the Abstracts in his possession, and promised to send them to our attorney, Mr. Thomas Short.

The abstracts not being received, our attorney has since requested Mr. Randolph several times for them. Yet, to date, we still have not received these documents.

We fail completely, to understand the reasoning behind the witholding of these abstracts to which we are entitled under the terms of the Charter Party, and we again request that they be submitted to us.

Very truly yours,
FERRO-BET CORPORATION OF AMERICA

Lloyd J. Williams

cc: Mr. T. Short, Dougherty, Ryan, Mahoney & Pelligrino
cc: Mr. A. Randolph
cc: Mr. P. Everett, in triplicate (1 for each Arbitrator)

LJW/mk

DESIGNATION 28
EXHIBIT FOR
IDENTIFICATION

Plaintiff's Exhibit 39.

WHITEHALL 4-6547-8
SHOREROAD 8-3341 (NITE)

CABLES: MIKEMARKS
TELEX: 222647

TRANS MARINE SHIPPING AGENCY, INC.

STEAMSHIP AGENTS — MANAGING OPERATORS
52 BROADWAY
NEW YORK, N. Y. 10004

MARINE SURVEYORS AND
CONSULTING ENGINEERS

REP. SURVEYOR FOR
HELLENIC REGISTER OF SHIPPING

June 1st, 1964

Ferro-Bet Corporation of America
70 Pine St.,
New York, N.Y. 10005

Re: S/S PANOCEAN
T/C - C/P Dated 10/17/63

Gentlemen:-

Regarding the above subject matter, this will confirm our telegraphic notice of readiness sent to you this date, as follows:

> THIS IS TO ADVISE THAT REPAIRS HAVE BEEN MADE TO THE S/S PANOCEAN AND WE HEREBY TENDER THE SAID VESSEL AS BEING READY ON FRIDAY JUNE 5th 1964 TO CONTINUE UNDER THE CHARTERPARTY DATED OCTOBER 17th 1963 AND THE VOYAGE TO NEW ORLEANS STOP PLEASE MAKE ALL NECESSARY ARRANGEMENTS FOR VESSEL TO DEPART ACCORDINGLY AS PROVIDED FOR UNDER THE CHARTERPARTY STOP PLEASE ACKNOWLEDGE.
> TRANS MARINE SHIPPING AGENCY INC. AS AGENTS FOR S/S PANOCEAN AND PANOCEAN NAVIGATION LINE,S.A.

Kindly arrange to have the required fuel oil and water put aboard the vessel.

We hereby demand that you forthwith forward to us the charter hire and other charges which are due us.

Thanking you in advance and awaiting your acknowledgement, we remain,

Very truly yours

TRANS MARINE SHIPPING AGENCY, INC.
as Agents for
PANOCEAN NAVIGATION LINE, S.A.
and
S/S PANOCEAN

By: Michael G. Markogianis

Rec'd 6/2 MJ

cc: Panocean Navigation Line
Mr. Anthony Randolph

Plaintiff's Exhibit 39.

WHITEHALL 4-6547-8
SHOREROAD 8-3341 (NITE)

CABLES: MIKEMARKS
TELEX: 222647

TRANS MARINE SHIPPING AGENCY, INC.

STEAMSHIP AGENTS – MANAGING OPERATORS
52 BROADWAY
NEW YORK, N. Y. 10004

MARINE SURVEYORS AND
CONSULTING ENGINEERS

REP. SURVEYOR FOR
HELLENIC REGISTER OF SHIPPING

June 2, 1964

Ferro-Bet Corporation of America
c/o Grundvig Charterring Inc.
70 Pine St., Room 3810
New York, N.Y. 10005

Re: S/S PANOCEAN
T/C - C/P dated 10/17/63

Gentlemen:-

Replying to your telegram of June 2nd, we expect Certificate of Seaworthiness to be issued after completion of repairs. We will forward copies to you after same are received.

Very truly yours

TRANS MARINE SHIPPING AGENCY, INC.
as agents for
PANOCEAN NAVIGATION LINE, S.A.

By
Michael G. Markogianis

Plaintiff's Exhibit 39.

June 17, 1964

Rogers Terminal & Shipping Corp.
908 International Building
New Orleans, La. Baton Rouge

S/S PANOCEAN
C/P 12/24/CS

Gentlemen:

Subject vessel after an extremely long delay in Baltimore for repairs finally sailed therefrom on June 15th at 0700 hours and is proceeding to New Orleans to discharge a cargo of Barytes loaded at Seville, Spain in January of this year. Presuming the vessel performs as she should her E/A New Orleans is June 24/25rd, and we have instructed the Master to radio you his E/A.

We request that you attend this vessel in the capacity of Owners agents for discharge of cargo on board and we shall appreciate your confirmation in this respect.

We do not have a readable copy of the Charter Party to send. However, we outline below a few of the more important features.

The cargo of 2900 tons Baryte s is to be discharged by receivers at [illegible] and expense with overtime for account of the party ordering same. There is to be no overtime for our account without prior authority from this office. We understand that Smith & Johnson represent cargo receivers and notice of readiness to discharge must be tendered to them (contact Bob Frosclair). Laytime commences at 2PM if notice is tendered before noon and at 0800 hours of the next working day if notice is tendered after noon.

Please assist the master in tendering immediately on arrival so that no unnecessary delay will be sustained. Also, you are to prepare, in conjunction with the master a Statement of Facts containing all pertinent information as to tendering, commencement and completion. We shall require three copies of the signed Notice of Readiness and Statement of Facts.

(2) Plaintiff's Exhibit 39...

ROGERS/NEW ORLEANS S/S PANOCEAN C/P 12/24/63 June 17, 1964

Discharge rate is to be 1000 tons per weather working day of 24 hours, Saturday afternoon, Sunday and Holidays excepted unless used in which case time to count.

Kindly acknowledge receipt of this letter and at the same time let us know some idea of expected time to discharge.

Should you have any questions concerning our instructions please advise.

Very truly yours,
FERRO-ENT CORPORATION OF AMERICA

Lloyd J. Williams, Operating Dept.

cc: Master/PANOCEAN C/O Rogers, New Orleans

PLAZA 2-2561
PHONES: HOPKINS 7-0531
CLIFTON 4-4612

-INVOICE-

CABLE ADDRESS: SMYRNIOUDI BALTIMORE

Defendant's Exhibit AA, Invoices/Receipts

NEW STAR SHIP SUPPLY CO.

JAMES SMYRNIOUDIS, Prop.

PROVISIONS - CABIN - DECK - ENGINE

608 EAST PRATT STREET BALTIMORE 2, MD.

June 6, 1964

SOLD TO:
Trans Marine Shipping Agency, Inc.
52 Broadway
New York, N.Y.

S/S PANOCEAN

2	Hatch Tarpaulins for No.1 Hatch 25'X 36'	170.50	341.00
2	" " for No.2 " 25'X 37'	178.00	356.00
1	" " for No.3 " 20'X 18'	71.60	71.60
1	" " for No.4 " 25'X 37	178.00	178.00
1	" " for No.5 " 25'X 34	162.80	162.80
1	- 30' Aluminum Portable Accomodation Ladder	$882.50	1820.00
1	Platform for above Ladder (1375 lbs)		735.00
120	Fathom 8" Manila Rope Mooring Line 3175 lbs.	.62	1968.50
120	Fathom 3" Manila Rope for securing cargo hatches 205 lbs.	.52	106.60
1	Portable Lincoln Gas Line Welding Machine	580.00	580.00
4	Lifebuoys W/Self-Ignited Light	26.60	106.40
4	50 Ft. Length 2" Hose W/2" I.P.T.Brass Couplings attached.	38.50	154.00
1200	Sq.Ft. 2" Lumber Cargo Hold Tank Top (Sal. pay 900 sq ft)		185.00
			6764.90

Approved subject to Underwriters' [illegible] and adjustment.

[illegible]

PAID

JUN 8 1964

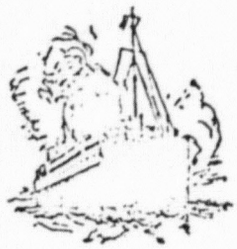
NEW STAR SHIP SUPPLY CO.

PER [illegible]

Defendant's Exhibit AA

SOUTH 8-3000
8-0037

NIGHT:
SOUTH 8-8266
TERRACE 6-6772



Neptune Machine Works, Inc.

GENERAL SHIP REPAIRS
139 NINTH STREET
BROOKLYN 15, N. Y.

DATE June 16, 1964

INVOICE NO. 6373

CUSTOMER'S ORDER NO. PHONE

TERMS

S/S PANOCEAN AND/OR OWNERS
c/o TRANSMARINE SHIPPING AGENCY
52 Broadway
New York, N.Y.

THE FOLLOWING MATERIAL DELIVERED TO BALTIMORE, MARYLAND, AT THE MARYLAND DRYDOCK COMPANY, FOR THE VESSEL S/S PANOCEAN, ON MAY 25th, 1964.

1.	Two (2) Main Engine L.P. Piston Rings, diameter 39-3/8" (Special Order)	.....	186.00
2.	One (1) complete set of Main Engine H.P. Piston Rings w/springs, Type-Lockwood & Carlisle, diameter 18-5/16"	.....	265.00
3.	One (1) Main Engine H.P. Pop Valve	.....	417.00
4.	One (1) Main Engine H.P. Pop Valve's Spring	.....	110.00
	Plus transportation to and fro Baltimore		65.00
	Total	.....	$ 1,043.00

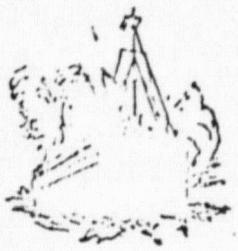
JUL 23 1964

NEPTUNE MACHINE WORKS, INC.

Defendant's Exhibit AA

B-3000
B-3087

NIGHT:
ULster 3-0833
SOUTH 8-0200



Neptune Machine Works, Inc.

GENERAL SHIP REPAIRS
139 NINTH STREET
BROOKLYN 15, N. Y.

DATE June 23, 1961

INVOICE NO. M-6654

CUSTOMER'S ORDER NO. PHONE

TERMS

S/S PANOCHAN AND/OR OWNERS
c/o TRANSMARINE SHIPPING AGENCY
52 Broadway
New York, N.Y.

FURNISHED NECESSARY LABOR, MATERIALS AND TRANSPORTETION TO PERFORM THE FOLLOWING WORK ABOARD VESSEL S/S PANOCHAN.

1. Removed from vessel Auxiliary Diesel Generator's Air Compressor Motor. Repaired motor as necessary and tested in shop. Redelivered on board vessel and reinstalled same in good working order.

2. Filled up Air Compressor Bottle and tested generator.

All above work done to Satisfaction of vessel's Chief Engineer.

LABOR AND MATERIAL $285.00 (4)

JUN 30 1961

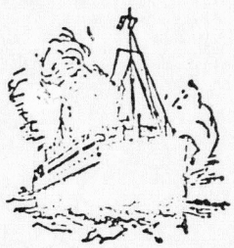
NEPTUNE MACHINE WORKS, INC.

4L

Defendant's Exhibit AA

SOUTH { 8-3000 / 8-8087

NIGHT:
SOUTH 8-8266
TERRACE 6-6772



Neptune Machine Works, Inc.

GENERAL SHIP REPAIRS

139 NINTH STREET

BROOKLYN 15, N. Y.

DATE June 23, 1964

INVOICE NO. 2751

CUSTOMER'S ORDER NO. PHONE

TERMS Net - 30 days

S/S PANOCEAN AND/OR OWNERS
c/o TRANSMARINE SHIPPING AGENCY
52 Broadway
New York, N.Y.

FURNISHED NECESSARY LABOR TO PERFORM VARIOUS WORK ABOARD VESSEL S/S PANOCEAN, WHILE VESSEL LOCATED IN BALTIMORE, MARYLAND.

LABOR USED FOR AFORE ENTITLED WORK:

Monday	June 1, 1964	2 men	0800 - 1700 = 8 hrs.	ST + 4 TT = 12 =	24 hrs.
Tues.	June 2, 1964	2 men	0800 - 1700 = 8 hrs.	ST = 8 =	16 "
Wed.	June 3, 1964	2 men	0800 - 1700 = 8 hrs.	ST = 8 =	16 "
Thurs.	June 4, 1964	2 men	0800 - 1700 = 8 hrs.	ST = 8 =	16 "
Fri.	June 5, 1964	2 men	0800 - 1700 = 8 hrs.	ST + 4 TT = 12 =	24 "

Total ..... 96 hrs.

96 Machinist hours @ $5.00 per	=	480.00
Plus train fare for 2 men at $17.50 each round trip	=	35.00
Miscellaneous expenses	=	10.00
		$ 525.00

TOTAL AMOUNT OF THIS INVOICE..... $525.00

Defendant's Exhibit AA

WHITEHALL 4-6547-8
SHOREROAD 8-3341 (NITE)

CABLES: MIKEMARKS
TELEX: 222647

TRANS MARINE SHIPPING AGENCY, INC.
STEAMSHIP AGENTS — MANAGING OPERATORS
52 BROADWAY
NEW YORK, N. Y. 10004

MARINE SURVEYORS AND
CONSULTING ENGINEERS

[illegible] SURVEYOR FOR
HELLENIC REGISTER OF SHIPPING

June 12, 1964

RECEIPT FOR $464.50

I, the undersigned Th.Corros, engineer, hereby certify that I have received from Trans Marine Shipping Agency, Inc., 52 Broadway, New York, Agents for the S/S PANOCEAN, the sum of Four hundred sixty four Dollars and fifty cents ($464.50) for work performed on the machinery of the above vessel, in Baltimore, Md., from May 20th, 1964 to June 3rd, 1964, including transportation from New York. #464.50

This is in full payment and I claim no other compensation.

The received

Thevebazis Corros

Th. Corros

Defendant's Exhibit AA

WHITEHALL 4-6547-8
SHOREROAD 8-3341 (NITE)

CABLES: MIKEMARKS
TELEX: 222647

TRANS MARINE SHIPPING AGENCY, INC.
STEAMSHIP AGENTS — MANAGING OPERATORS
52 BROADWAY
NEW YORK, N. Y. 10004

MARINE SURVEYORS AND
CONSULTING ENGINEERS

REP. SURVEYOR FOR
HELLENIC REGISTER OF SHIPPING

June 18, 1964

Receipt for $301.00

The undersigned, Georgios Karaisaridis, hereby certify that I have received this day from Trans Marine Shipping Agency, Inc., Agents for the vessel Panocean, the sum of Three hundred one Dollars ($301.00) for work performed on the main engine of the S/S Panocean in Baltimore Md., total 9 days from June 1st to June 9, 1964 inclusive, 8 hours per day, total 81 hours at $3.50 per hour $283.50
Plus transportation N.Y. to Baltimore and return 17.50
$301.00
This is in full payment and I claim no other compensation.

George Karaisaridis

Georgios Karaisaridis

PLANT AND MAIN OFFICE
P. O. BOX 53
BALTIMORE 3, MD.
EL 20[illegible]

ORIGINAL

405a

NEW YORK OFFICE
No. 1 BROADWAY
DIgby 4-0934
CABLE ADDRESS: MARINA, [illegible]

Defendant's Exhibit AA

Maryland Shipbuilding & Drydock Company

AND OWNERS

TO SS "TANOCEAN"
Transmarine Shipping Agency, Inc.
52 Broadway
New York, New York
VV

DATE July 16, 1964
INVOICE NO. 58248-A
OUR ORDER NO. R-9 5064
YOUR ORDER NO.

TERMS—CASH

[illegible]

ABSTRACT INVOICE

Item 1
HULL CLEANING AND PAINTING

Furnished labor and material to sandwash hull from keel to light load line. Furnished and applied (1) coat of anti-fouling paint from keel to light load line. Painted in draft marks fwd. and aft. — 1,180.00

Item 2
FILTER PUMP

Furnished labor and material to disconnect and remove filter pump from ship to shop. Brazed up broken support bracket. Returned pump to ship and reinstalled. — 229.00

Bailer Amyz Claim

1409.00

(6)

PLANT AND MAIN OFFICE
P. O. BOX 537
BALTIMORE 3, MD.
El gin 5-0500

406a

COPY

NEW YORK OFFICE
No. 1 BROADWAY
DIgby 4-0934
CABLE ADDRESS: MARDOCKCO

Defendant's Exhibit AA

Maryland Shipbuilding & Drydock Company

TO SS "PANOCEAN:"
Transmarine Shipping Agency, Inc.
52 Broadway
New York, New York
vv

AND OWNERS

DATE June 24, 1964

INVOICE NO. ~~X9010X~~ 58110

OUR ORDER NO. R-9 5684

YOUR ORDER NO.

TERMS—CASH

Unless otherwise stated below, all quotations, together with any additional work which may be ordered, shall be subject to the following terms and conditions.

All quotations must be accepted within 30 days. We allow no discounts and bills are payable when rendered.

Any agreement as to time of completion is subject to delays resulting from strikes, labor difficulties, fires, accidents, acts of God, restraints of governments, delays in delivery of material, or any other causes beyond our control.

We undertake to perform work only and provide services and facilities for, a vessel only upon the following conditions: that our liability for defective workmanship or material shall be limited to the correction of such defects as may be reported to us in writing within 30 days after the departure of the vessel from our yard or the completion of the work, be it at any other location, that we shall not be liable for any consequential damages whatsoever; that we shall not be liable, whether in contract or in tort, to owners, charterers or underwriters, for loss of or injury to person or property, including any vessel, its cargo, equipment or stores, unless such loss or injury is caused by our negligence, and in no event shall our aggregate liability to all parties in interest for such a casualty or casualties be in excess, directly or indirectly, with respect to any one vessel, of $500,000.

The terms and conditions of this proposal shall be deemed to have been accepted upon the arrival of the vessel at our yard or upon commencement of the work by us at any other location.

Any provisions in customers' instructions to bid, specifications, or instructions which seek to vary the foregoing in any respect will not be accepted.

INVOICE NO. 2

MARINE LOSS

DAMAGE ALLEGED TO HAVE BEEN SUSTAINED IN CONSEQUENCE OF THREE BOILERS OVERHEATING DUE TO CREW'S NEGLIGENCE, SHORTAGE OF WATER AND USE OF RAW SEA WATER WHILE ON PASSAGE FROM FLUSHING, NETHERLANDS TO BALTIMORE, MARYLAND FROM FEBRUARY 24, 1964 TO APRIL 3, 1964.

Performed repairs as per attached survey specifications.

As per our tender dated April 10, 1964 - 92,403.00

TOTAL INVOICE NO. 2 ..... $ 92,403.0

more

41,386
35,310
76,696

PLANT AND MAIN OFFICE
P. O. BOX 537
BALTIMORE 3, MD.
El gin 5-0500

407a

COPY

NEW YORK OFFICE
No. 1 BROADWAY
DIgby 4-0934
CABLE ADDRESS: MARDOCKCO

Defendant's Exhibit AA

aryland hipbuilding & rydock ompany

TO SS "PANOCEAN"
Transmarine Shipping Agency, Inc.
52 Broadway
New York, New York
VV

AND OWNERS

DATE June 24, 1964

INVOICE NO. ~~XXXXX~~ 58111

OUR ORDER NO. R-9 5684

YOUR ORDER NO.

TERMS—CASH

Unless otherwise stated below, all quotations, together with any additional work which may be ordered, shall be subject to the following terms and conditions:

All accounts are to be accepted within 10 days. We allow no discounts and bills are payable when rendered.

Any date quoted as time of completion is subject to delays resulting from strikes, labor difficulties, fires, accidents, acts of God, requirements of governments, delays in delivery of material, or any other causes beyond our control.

We undertake to perform work and provide services and facilities for a vessel only upon the following conditions: that our liability for defective workmanship or material shall be limited strictly to the correction of such defects as may be reported to us in writing within 30 days after the departure of the vessel from our yard and not to any consequential damages whatsoever, that we shall not be liable directly or indirectly, to owners, charterers or underwriters, for loss of use, losses to person or property, including any vessel, that we shall not be liable directly or indirectly, to owners, charterers or underwriters, for loss of use, losses to person or property, including any vessel, that we shall not be liable for any consequential damages whatsoever, that we shall not be liable directly or indirectly, to owners, charterers or underwriters, for loss of use, losses to person or property, including any vessel, that our liability for defective workmanship or material shall be limited strictly to the correction of such defects as may be reported to us in writing within 30 days after the departure of the vessel from our yard and not to any consequential damages whatsoever, that we shall not be liable directly or indirectly, to owners, charterers or underwriters, for loss of use, losses to person or property, including any vessel, that we shall not be liable for any consequential damages whatsoever, that we shall not be liable directly or indirectly, to owners, charterers or underwriters, for loss of use, losses to person or property, including any vessel, that our aggregate liability to all parties in vessel, its equipment or cargo, or any such loss or injury is caused by our negligence, and in no event shall our aggregate liability to all parties in interest for such damage exceed the sum of $300,000.

The terms and conditions stated above shall be deemed to have been accepted upon the arrival of the vessel at our yard or upon commencement of the work by us at any other location.

Any provisions in accepted invitations to bid, specifications, or instructions which seek to vary the foregoing in any respect will not be accepted.

INVOICE NO. 3

MARINE LOSS

DAMAGE ALLEGED TO HAVE BEEN SUSTAINED IN CONSEQUENCE OF VESSEL STRIKING THE DOCK PORT SIDE WHILE ENTERING THE LOCKS IN LONDON ON FEBRUARY 7, 1964 AND STRIKING THE DOCK STARBOARD SIDE WHILE LEAVING THE LOCKS IN LONDON ON FEBRUARY 8, 1964.

Performed repairs as per attached survey specifications.		
As per our tender dated April 10, 1964 -	2,604.00	agree
TOTAL INVOICE NO. 3		$ 2,604.00

PLANT AND MAIN OFFICE
P. O. BOX 537
BALTIMORE 3, MD.
El gin 5 0500

408a

COPY

NEW YORK OFFICE
No. 1 BROADWAY
DIgby 4-0934
CABLE ADDRESS: MARDOCKCO

Defendant's Exhibit AA

aryland ipbuilding & rydock ompany

TO SS "PANOCEAN"
Transmarine Shipping Agency, Inc.
52 Broadway
New York, New York
vv

AND OWNERS

DATE June 24, 1964
INVOICE NO. ~~59012~~ 58112
OUR ORDER NO. R-9 5684
YOUR ORDER NO.

TERMS—CASH

Unless otherwise stated below, all quotations, together with any additional work which may be ordered, shall be subject to the following terms and conditions:

All quotations must be accepted within 10 days. We allow no discounts and bills are payable when rendered.

Any agreement as to time of completion is subject to delays resulting from strikes, labor difficulties, fires, accidents, acts of God, restraints of governments, delays in delivery of material, or any other causes beyond our control.

We undertake to perform work on, and provide services and facilities for, a vessel only upon the following conditions: that our liability for defective workmanship or material shall be limited strictly to the correction of such defects as may be reported to us in writing within 30 days after the departure of the vessel from our yard or after completion of the work if at any other location; that we shall not be liable for any consequential damage whatsoever; that we shall not be liable, directly or indirectly, to owners, charterers or underwriters, for loss of or owing to hours or property, including any vessel, its cargo, equipment or stores, unless such loss or injury is caused by our negligence, and in no event shall our aggregate liability to all parties in interest for such damage sustained by them, directly or indirectly, with respect to any one vessel exceed the sum of $250,000.

The terms and conditions stated above shall be deemed to have been accepted upon the arrival of the vessel at our yard or upon commencement of the work by us at any other location.

Any provisions in purchase orders, quotations, bid specifications, or instructions which seek to vary the foregoing in any respect will not be accepted

INVOICE NO. 4

MARINE LOSS

Provided steam, electric, circulating water, fire lines and garbage disposal for the period from April 9, 1964 to June 12, 1964. Related to Heavy Weather Survey of April 8 and 10, 1964 and crew's negligence, shortage of water and use of raw water survey of April 10, 1964.	6,200.00
TOTAL INVOICE NO. 4	$ 6,200.00

work commenced; April 3, (sic) 1964
work completed; June 12, 1964

(12)

PLANT AND MAIN OFFICE
P. O. BOX 537
BALTIMORE 3, MD.
El gin 5-0500

409a

COPY

NEW YORK OFFICE
No. 1 BROADWAY
Digby 4-0934
CABLE ADDRESS: MARDOCKCO

Defendant's Exhibit AA

maryland shipbuilding & drydock company

TO SS "PANOCEAN"
Transmarine Shipping Agency, Inc.
52 Broadway
New York, New York
vv

AND OWNERS

DATE June 24, 1964

INVOICE NO. ~~59009~~ 58109

OUR ORDER NO. R-9 5684

YOUR ORDER NO.

TERMS—CASH

Unless otherwise stated below, all quotations, together with any additional work which may be ordered, shall be subject to the following terms and conditions:

All our invoices must be accepted within 10 days. We allow no discounts and bill are payable when rendered.

Any statement as to time of completion is subject to delays resulting from strikes, labor difficulties, fires, accidents, acts of God, shortage of power, delays in delivery of material, or any other causes beyond our control.

We shall take no part in any work on and provide services and facilities for a vessel only upon the following conditions: [illegible] our liability for defective workmanship or material shall be limited strictly to the correction of such defects as may be reported to us in writing within [illegible] after the delivery of the vessel from the completion of the work by us at such other location; that we shall not be liable for any consequential damages that may be claimed because of such defects, whether direct, incidental or indirect, to owners, charterers or underwriters, for loss of or damage to ship or cargo, delay or loss of use of the vessel, the cargo or otherwise howsoever such loss or damage is caused by our negligence, and in no event shall our aggregate liability to all persons in interest for any and all such loss or damage, whether direct or indirect, with respect to any one vessel ex-ceed the sum of $250,000.

The [illegible] will be deemed to have been accepted upon the arrival of the vessel at our yard or upon completion of the work by us, whichever first occurs.

Any [illegible] specifications or instruction which are to vary the foregoing [illegible] not be binding

INVOICE NO. 1		
MARINE LOSS		
DAMAGE ALLEGED TO HAVE BEEN SUSTAINED IN CONSEQUENCE OF VESSEL ENCOUNTERING HEAVY WEATHER WHILE ON PASSAGE FROM FLUSHING, NETHERLANDS TO BALTIMORE FROM FEBRUARY 24, 1964 TO APRIL 3, 1964.		
Performed repairs as per attached survey specifications.		
As per our tender dated April 8 and 10, 1964 -	53,799.00	
TOTAL INVOICE NO. 1		$ 53,799.00

more

(11)

-INVOICE-

Defendant's Exhibit AA

-PHONES, PLAZA 2-2561
HOPKINS 7-0531
CLIFTON 4-4612

CABLE ADDRESS, SMYRNIOUDI
BALTIMORE

NEW STAR SHIP SUPPLY CO.

JAMES SMYRNIOUDIS, Prop.

PROVISIONS - CABIN - DECK - ENGINE

608 EAST PRATT STREET BALTIMORE 2, MD.

(2)

June 6, 1964

SOLD TO: Trans Marine Shipping Agency, Inc.
52 Broadway
New York, N.Y.

S/S PANOCEAN

For Lifeboats

12	pcs. Red hand flares	1.40	16.80
8	Parachut flares	6.85	54.80
4	K-5 Orange smoke flares	16.10	64.40
1	First aid kit	18.50	18.50
2	cases 24/14 oz.tins Condensed milk	7.60	15.20
52	tins 30 oz. ea. Food Rations	2.30	119.60
10	Kapot Life Jackets	6.85	68.50
1	Portable Kerosene Lamp	3.80	3.80
1	Sea Anchor complete W/Can	39.25	39.25
36	tins Emergency Lifeboat Water Ration doz.	2.45	7.35
60	Ft. Heaving Line Plastic 10 Fthm.	5.15	5.15
1	30" Plastic Lifebuoy	25.80	25.80
1	Flare Gun No.G-K.37-MM Signal Pistol	64.50	64.50
2	Life Boat Tarpaulins Covers 25'X 8'	132.00	264.00
			$767.65

Low cost.

ADDRESS

E.R. Jones

REPORT NO.

PAID

JUN 8 1964

NEW STAR SHIP SUPPLY CO

PER

(10)

375—Affidavit of Service — The Reporter Co., Inc., 11 Park Place, New York, N. Y. 10007

THE UNITES STATES COURT PF APPEALS FOR THE SECOND CIRCUIT

LENFEST
VS
COLDWELL

AFFIDAVIT OF SERVICE

STATE OF NEW YORK,
COUNTY OF NY , ss:

ROBERT FORD being duly sworn,
deposes and says that he is over the age of 21 years and resides at 755 Hancock st Bklyn NY

That on the 13th day of January, 1977 19 at Joimt Appendix
he served the annexed brief for the defendant-appellant H.W. Coldwell and upon
~~WXXSXXkW~~. Shelby coates Jr, 61 Broadway NYNY: & Joseph Tarlowe, 11 Broadway , NY, NY
in this action, by delivering to and leaving with said attorneys
three copies of the appendix and three of the brief each true cop thereof.

DEPONENT FURTHER SAYS, that he knew the person so served as aforesaid to be the person mentioned and described in the said

Deponent is not a party to the action.

Sworn to before me, this 13th day of JANUARY, 1977 19

Robert W. Ford

ROLAND W. JOHNSON
Notary Public, State of New York
No. 4509705
Qualified in Delaware County
Commission Expires March 30, 1977